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DAILY REPORT

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Nuclear Disarmament, U.S. Port Calls

OW071004 Beijing XINHUA in English 0954 GMT 7 Aug 85

[Text] Beijing, August 7 (XINHUA) -- China hopes that countries with big nuclear arsenals should take lead in nuclear disarmament, a Chinese Foreign Ministry spokesman said at the weekly news briefing here today. When asked whether China would join the United States and the Soviet Union in suspending nuclear tests, the spokesman said China had taken note of the relevant statement and proposal made respectively by the Soviet Union and the United States and their reactions towards each other.

"It seems that there is a big gap between the United States and the Soviet Union on the question of disarmament," he added.

He said China hoped that the United States and the Soviet Union would hold nuclear disarmament talks in earnest and take genuine and effective measures for nuclear disarmament so as to contribute to world peace.

He stressed that China was developing a limited number of nuclear weapons for the sole purpose of defense.

He said China had conducted very few nuclear tests and had repeatedly declared that under no circumstances and at no time would China be the first to use nuclear weapons.

In response to the question whether Chinese President Li Xiannian had during his tour of the United States talked about the U.S. warship visit to China, the spokesman said that as a sovereign state, China had its own principles to uphold on the matter of visits to China by foreign warships.

"It is our hope that a solution acceptable to both sides will be found through consultations," he added.

SRV Reports 'Fabrication'

OW070958 Beijing XINHUA in English 0950 GMT 7 Aug 85

[Text] Beijing, August 7 (XINHUA) -- A Chinese Foreign Ministry spokesman today brushed aside recent VIETNAMESE NEWS AGENCY reports on Chinese incursions into Vietnam as "sheer fabrication."

The spokesman made this comment at the weekly news briefing when he was asked about Vietnamese reports that Chinese troops had made as many as 13 incursions into the Vietnamese territory in July, killing and wounding many Vietnamese civilians.

He said the fact was that in July Vietnamese troops made repeated armed provocations and incursions against China. "Our frontier guards made rightful counter-attacks," he added.

Libyan Foreign Minister's Visit

OW070954 Beijing XINHUA in English 0942 GMT 7 Aug 85

[Text] Beijing, August 7 (XINHUA) -- 'Ali 'Abd al-Salam al-Turayki, secretary of the People's Committee for Foreign Liaison People's Bureau of the Socialist People's Libyan Arab Jamahiriyyah (foreign minister), will arrive in Beijing on August 8 for an official good-will visit to China. Chinese State Councillor and Foreign Minister Wu Xueqian will play host. This was announced by a Chinese Foreign Ministry spokesman at a weekly news briefing here today.

During his forthcoming visit to China, the spokesman said, Al-Turayki will exchange views with Chinese leaders on bilateral relations and major international issues of common concern.

Tanzanian President's Visit

OW070938 Beijing XINHUA in English 0931 GMT 7 Aug 85

[Text] Beijing, August 7 (XINHUA) -- Tanzanian President Julius Kambarage Nyerere and Mrs. Nyerere will pay a state visit to China from August 19 to 21 at the invitation of Chinese President Li Xiannian, a Chinese Foreign Ministry spokesman said at the weekly news briefing here today.

Nyerere has already visited China on four occasions.

The spokesman praised Nyerere for his important contributions to the establishment and development of friendly relations and cooperation between China and Tanzania. "We are looking forward to his 5th visit to China. We believe that his forthcoming visit will surely further promote friendship between the Chinese and Tanzanian peoples and enhance friendly relations and cooperation between China and Tanzania," the spokesman said.

BEIJING REVIEW ON SDI 'CHALLENGE' TO WEST EUROPE

OW070147 Beijing BEIJING REVIEW in English No 31, 5 Aug 85 pp 22-25

[Article by Xing Hua: "SDI: Western Europe Faces Challenge"]

[Text] Taking advantage of the initially relaxed atmosphere that surrounded the resumption of U.S. Soviet arms talks in Geneva last March, Western Europe sought to further improve relations with Eastern Europe and reinforce its position in European affairs. But in the meantime the two superpowers have continued their arms race and tried to develop space weapons. Their struggle over the Strategic Defence Initiative (SDI) proposed by the United States has caused many thorny problems for Western Europe. West European nations are readjusting themselves so as to meet the new challenge.

After an absence of more than a year, arms negotiators from the United States and the Soviet Union finally returned to the negotiation table in Geneva in March. Despite the slow progress of the talks, the resumption of the talks in a short time and the decision to hold a long-cherished summit within the year serve as evidence that both the United States and the Soviet Union, out of their own interest and need, are now more flexible in their approach. While strengthening their military might, they resorted to negotiations. Observers in Europe began to read these developments as a signal that the superpower confrontation was eased a bit. Even their wrangling over intermediate-range missiles in Europe became less fierce and influential.

How did Western Europe evaluate the changed situation?

First, because Europe is in the dangerous middle of the U.S.-Soviet scramble for supremacy ever since the 1980s, it longs for an end to the arms race and a return to stability. Therefore, Western Europe attaches great importance to even the slightest relaxation of tensions; even if the relaxation is more mood than substance. With the tension somewhat reduced, West European leaders began working to improve East-West relations.

The Federal Republic of Germany, which is on the front line of the U.S.-Soviet confrontation, pins more hopes on this changed situation, believing that now it is more feasible than in the 1970s to gain sustained and substantial result.

Second, in the face of the acute confrontation between the United States and the Soviet Union, Western Europe has no way out but to lean more towards the United States. This leaves West European leaders very little room for manouvering in their dealings with the two superpowers and in working out policies concerning European affairs. Even so, West European leaders have made efforts to improve relations with Eastern Europe while urging both the United States and the Soviet Union to return to the bargaining table. When the talks were resumed, Western Europe declared that it could and should have more say in East-West relations and European affairs. As the Geneva talks, which Western Europe didn't participate, are vital to the future of Western Europe, the leaders did their best to prevent the U.S.-Soviet dialogue from damaging its special interests.

In a nutshell, Western Europe valued dearly the slight thaw in U.S.-Soviet relations. West European leaders believed that the international situation had come to a crossroad and no chance should be lost to influence both the United States and the Soviet Union and its allies.

Diplomatic Initiatives

To make the most of the better climate that followed the Geneva talks, Western Europe mounted a flurry of diplomatic activities.

(1) Working between the United States and the Soviet Union, West European leaders tried to move both parties into serious and patient negotiations for an agreement, especially an agreement on the crucial intermediate-range missiles. Meanwhile, these leaders asked the two superpowers to make further concessions in order to achieve success in other arms talks and to reduce the military threat to Europe. To lay a solid foundation for improving East-West relations and to cash in on the political and economic benefits that would accompany such improvement, Western Europe argued that arms reduction should go hand in hand with political, economic and cultural contacts between Eastern and Western Europe.

(2) Cherishing hopes for new Soviet leader Mikhail Gorbachev, West European leaders closely watched development in the Kremlin, looking for a chance to influence the Soviet stance. But Western Europe, preoccupied with the Soviet Union's powerful intermediate-range missiles and its conventional forces deployed in Eastern Europe, stands by the United States in questions concerning the safety and interest of the West. This support is designed to enable the U.S. negotiations to force the Soviet Union into arms concessions. A case in point is the West European refusal of Moscow's suggestion of a concurrent freeze on the deployment of intermediate-range missiles in Europe. While supporting the U.S. position in talks with the Soviet Union, Western Europe called on the United States to consult with West European leaders frequently, a demand aimed at encouraging the U.S. negotiators to keep the European point of view in mind.

(3) Western Europe has strengthened its contacts with Eastern Europe with a view to reducing the influence of the two superpowers in Europe and gaining more say for the small and medium-sized countries. Recent years have seen more and more contacts between Western and Eastern Europe. Although German Democratic Republic's leader Erich Honecker's postponement of his planned visit to Federal Germany last year handicapped the East-West dialogue, contact across the border picked up as 1985 progressed.

As there have been no major changes in the European situation and Western Europe has not significantly strengthened its hand in the Europe-U.S.-Soviet triangle, West European leaders have made only small progress in implementing their policies. The recently intensified scramble for military supremacy in space between the United States and the Soviet Union is a serious challenge to Western Europe, which is in no position to wield major influence diplomatically.

Problems

Paradoxically, the U.S.-Soviet scramble for military supremacy has become more fierce since the resumption of the Geneva talks. As the two are evenly matched in military might, each seeks a chance to gain the upper hand. As space and other new technology has become more advanced, they have turned more and more to consider space the battlefield of the future. Backed by its economic and technical strength, the Reagan administration pledged to develop a space-based defense system that would give the United States a decisive military edge over the Soviet Union and drain Moscow's finances when the Soviets try to match wits. The "Star Wars" plan would also, Reagan hoped, boost the United States' own economic and technological development. In total disregard of the Soviet opposition and domestic protest, the Reagan administration decided to begin research on SDI and declared the space defence system non-negotiable in the Geneva talks. Recognizing the potential threat of a space-based defense system, the Soviet Union has left no stone unturned in its attempts to derail the plan. The struggle that has ensued also has an enormous impact on East-West relations, the Western alliance and relations between the West European nations. The struggle has put West European leaders in a bind -- should they fight SDI, join it, fund it, denounce it or just wait and see what happens?

The Soviet Union has insisted that SDI should be a topic of negotiations in the Geneva talks. This has dimmed the prospect for success in the talks. To force the United States to make concessions on space weapons, the Soviet Union will adopt a more rigid stance on strategic nuclear missiles and intermediate-range missiles. Thus the present round of arms talks will falter and the arms race will continue unbridled. The U.S. push for a strategic defence system will inevitably prompt the Soviet Union to develop new defensive and offensive weapons, leading to a new round in the arms race. With such prospects, Western Europe's dream of better East-West relations and stability looks unlikely to become reality.

The space arms race will have a significant impact on the economy and technology of the participants. The SDI will promote the development of a wide range of sophisticated technologies, 90 percent of them based in the civilian sector. Western Europe lags behind the United States in most high-tech industries. If the West European countries refuse to join the U.S. in building SDI, they will fall further behind.

However, as the United States has kept high-tech research results from Western Europe, these countries would gain little from co-operation with the United States. In fact, they may lose more in the form of talent flowing into the United States than they stand to gain. These countries will be in such an unequal position that they will only be able to produce parts for SDI. The United States will deal directly with European corporations and research organizations, leaving the governments in the lurch. Because most West European countries stand to gain so little by participating in the research, their leaders are at a loss as what to do.

Furthermore, from the long-term point of view, the development of SDI would change the nuclear strategy of the West. In the face of the Soviet Union's powerful conventional forces, West Europe must rely on a nuclear deterrent for its security. A change in the nuclear strategy, leaders feel, could increase the danger. In addition, if Washington and Moscow establish "nuclear umbrellas" to protect themselves, the British and French nuclear forces will lose their effectiveness in nuclear deterrence. Their security will be in jeopardy. At the same time, the United States will be much safer than Western Europe. Thus the United States would be unlikely to use its nuclear weapons deployed on its own territory to provide security for Western Europe. In effect, the security of the United States and Europe will be easily separated. Europe could easily become the "idealistic battlefield" for the United States and the Soviet Union.

Western Europe, therefore, cannot help but be suspicious of the U.S. initiative. However, when Washington and Moscow are deep in confrontation, Western Europe has to distance itself from Moscow in order to maintain Western unity.

In summary, the struggle between the superpowers over strategic defence issues is forcing Western Europe to make difficult decisions in the political, military and technological fields, which are vital to the immediate interest as well as future of Western Europe. Though the resumption of the Geneva arms talks looked like an opportunity for Western Europe to play a greater role, the "Star Wars" rivalry has presented West European leaders with a stern test. They have to work exceptionally hard to cope with the rivalry which is gaining momentum from time to time.

Co-ordinating Policies

Faced with contradictions, the countries in Western Europe must take differing routes to best suit their needs.

Federal Republic of Germany depends heavily on the United States for defence. Because it has no nuclear weapons of its own and hopes to play a role in non-nuclear strategic defence system, FRG has supported the U.S. initiative. Chancellor Helmut Kohl pointed out that SDI entails both opportunity and risk. If Western Europe can join in the U.S. plan and exert some influence on it, said Kohl, it will be able to avoid danger. The Federal German Government has indicated that it will consider joining the SDI research effort.

Britain's position is similar to the FRG's, but it is cool to plans for a joint West European effort and has not been as active a supporter as Bonn.

Strong in maintaining the independence and self-reliance of Western Europe, France is worried that the U.S. plan would cripple nuclear deterrence and render its independent arsenal powerless, so French leaders are suspicious of the U.S. plan. They have been publicly criticized SDI and refused to join the research effort. French leaders have also argued that Europe stands to gain little from the technological benefits of building SDI. The United States, they contend, will not truly treat the West European nations as partners. Therefore, France put forward its Eureka proposal, which calls for a joint West European research effort in six new-born technologies. Denmark and Norway, among others have also refused to join the SDI research work.

Both the United States and the Soviet Union have initiated lobbying efforts to further their positions. Moscow has lashed out at Federal Germany while working to draw support from France and Italy. Washington has urged Western Europe to support SDI and to join its research programme. U.S. leaders have also worked to minimize the division in the Western camp that has resulted. With U.S. and Soviet pressure increasing, West European countries have not had much time to consult one another and adopt a common position. As a result, their differences have deepened. France and Federal Germany have clashed over SDI on a number of occasions.

The disputes between France and Federal Germany greatly weaken Western Europe's position. Other nations in Western Europe have realized its seriousness and have attempted to patch up their differences. Federal Germany and France have responded positively, agreeing to hold a joint meeting of foreign and defence ministers and a special summit to co-ordinate their SDI positions. FRG Foreign Minister Hans-Dietrich Genscher recently visited France, where he stressed that the two nations have identical security needs and should co-ordinate their stands. At the same time, he reaffirmed his country's support for France's Eureka project.

France has claimed that SDI and Eureka are incompatible at present, but a bridge between them could be constructed. The differences between Federal Germany and France over SDI and Eureka have been somewhat narrowed. In addition, British Foreign Secretary Geoffrey Howe recently visited France and expressed his interest in Eureka. Britain, apparently, does not intend to miss out on this chance for high-tech co-operation.

It is not easy for all the West European countries to adopt the same stand on SDI. It is estimated that after the consultations, most countries will take some kind of role in the SDI and Eureka project as well. By joining the U.S. plan, they will win political points with the United States. They also stand to reap economic and technological benefits from the SDI research. Meanwhile, by taking part in the Eureka project, they will be advancing Western Europe's level of research in sophisticated technology.

The economic strength of Western Europe is weak when compared to the United States, and it is difficult to co-ordinate the interests among the countries there. There will be difficulties in working jointly to develop new-born technology. However, the debate over SDI has sounded an alarm for Western Europe. If they do not get a jump on the new technologies, the nations of Western Europe will lag behind economically and will have a difficult time maintaining their independence in international affairs. At present, the voices calling for strengthening unity and catching up with the United States and Japan sound loud.

Scientific and technological co-operation among West European countries has, indeed, made progress. The European Space Agency, set up in 1975, has launched its Ariane rockets and is developing a 10-year plan to build an independent space capability.

The fact that the nations of Western Europe have intensified their joint efforts to develop technology is proof that the U.S.-Soviet war of words over "Star Wars" has forced Western Europe to stand on its own. Despite the tug-of-war being played between the two superpowers, Western Europe will unite to meet the changing situation.

PRC ATTENDS HIROSHIMA ANTINUCLEAR MEETING

OW031731 Beijing XINHUA in English 1602 GMT 3 Aug 85

[Text] Hiroshima, Japan, August 3 (XINHUA) -- The 1985 world conference against A-bombs and H-bombs ended here today with an appeal calling for the prevention of nuclear war and the destruction of nuclear weapons. The annual world ban-the-bomb conference opened Friday with some 200 delegates, including about 70 from 29 foreign countries and international organizations, participating.

China sent an official delegation to the meeting.

During the two-day, anti-nuclear conference, which marked the 40th anniversary of the atomic bombings of Hiroshima and Nagasaki towards the end of World War II, most of the delegates appealed to the two nuclear giants, who possess 95 percent of the world's nuclear weapons, to halt their arms race, to stop producing nuclear arms and to cut their nuclear weapons, thus making contributions to world peace.

The conference appeal warns that the prevention of nuclear war and the destruction of nuclear weapons constitute the major problems mankind faces today.

RADIO BEIJING CITES LORD ON SINO-U.S. RELATIONS

OW061033 Beijing in Mandarin to Taiwan 1500 GMT 5 Aug 85

[Text] According to a TV broadcast by the U.S. Information Agency in Washington on 30 July, Winston Lord, nominated by President Reagan to be the next U.S. ambassador to the PRC, testified at the U.S. Senate Foreign Relations Committee on 30 July during which he expressed optimism over the current growth rate of the Chinese economy. The committee is considering his nomination.

Lord pointed out that Sino-U.S. relations have developed smoothly since the normalization of diplomatic relations between the two countries. He said: I believe that the most noticeable development is the Chinese domestic situation, that is, China's economic advances. Lord pointed out that the economic modernization program is receiving public support from various quarters in China. He said that he believed that the Soviets might ultimately copy certain reforms of China. He further expressed his optimism over China's continuous progress in the next decade.

Lord said that promoting American-Chinese trade during China's modernization drive will be one of his major tasks as the new U.S. ambassador to China, adding that he is optimistic about long-term increasing trade contacts between China and the United States.

Lord said that **China's future relations** with the island of Taiwan should be resolved by the people of both sides through peaceful means, stressing that the United States will continue to recognize that there is only one China and that Taiwan is part of China.

Lord said that the recently signed agreement on nuclear cooperation between the United States and China should promote more political and economic contacts between the two countries as well as be conducive to limiting the proliferation of nuclear weapons.

REAGAN SAYS U.S. READY FOR NUCLEAR TEST BAN

OW061042 Beijing XINHUA in English 1030 GMT 6 Aug 85

[Text] Washington, August 5 (XINHUA) -- U.S. President Ronald Reagan said today that the United States would be willing to observe a permanent ban on underground nuclear tests, but not until the United States ends its next round of experiments.

Speaking at an informal news conference in the White House Oval Office, Reagan said the Soviet Union could afford to begin a five-month moratorium on nuclear testing from tomorrow because it had completely important weapons tests of its own.

The President made this comment in response to a question about the Kremlin's announced plan to begin a temporary moratorium on nuclear testing tomorrow -- the 40th anniversary of the United States' dropping of the atomic bomb on Hiroshima, Japan.

He said the Soviet Union is ahead of the United States in the modernization of nuclear weapons and has completed its tests, "so asking us to make it mutual means we would not catch up."

Reagan declared: "After that limited moratorium, which is supposed to end around December something, if they want to make that a permanent moratorium, or if they want to agree with us and have bilateral inspection of each other's testing, we are willing to do that."

Soviet leader Mikhail Gorbachev announced July 29 that the Soviet Union would observe unilateral moratorium on nuclear testing starting tomorrow and asked the United States to follow suit.

ZHAO ZIYANG TELEGRAM TO JAPANESE A-BOMB VICTIMS

OWO61330 Beijing XINHUA in English 1319 GMT 6 Aug 85

[Text] Beijing, August 6 (XINHUA) -- China is ready to shoulder its due responsibility in the efforts to attain the complete prohibition and thorough destruction of nuclear weapons, Chinese Premier Zhao Ziyang said yesterday. He made the statement in a telegram in reply to Takeshi Ito, chairman of the Japanese Council of Organizations of Victims of Atomic and Hydrogen Bombs (Nihon Hidankyo), who wrote to the Chinese premier in June when attending the Beijing forum on safeguarding world peace.

In his letter, Ito earnestly asked the Chinese premier to support the Japanese atomic bomb victims' call for the prevention of nuclear war and elimination of nuclear weapons.

"I deeply understand your good intention and fully support your solemn and just call," Zhao said in the telegram. He conveyed to the victims the heartfelt sympathy and solicitude of the Chinese people and government.

Zhao emphasized that China pursues an independent foreign policy with the safeguarding of world peace as its principal aim and that China opposes any arms race and will not participate in it.

Premier Zhao reiterated that China has developed very few nuclear weapons merely to resist nuclear blackmail and that it will never be the first to use them, nor will it proliferate or deploy them abroad.

At present, Zhao pointed out, the danger of nuclear war and the obstacle to nuclear disarmament come from the two nuclear powers, which own over 95 percent of all the nuclear weapons.

"I hope the two nuclear powers will respect the strong feelings of the world's people against nuclear weapons and nuclear menace and war, stop nuclear arms race and conduct serious talks, take the lead in halting tests, improvement and production of nuclear weapons, and reach an agreement on a drastic reduction of their nuclear arsenals, so as to create conditions for the convening of a widely-represented international conference that includes all nuclear countries to discuss nuclear arms reduction as well as the complete prohibition and thorough destruction of nuclear weapons," the Chinese premier said.

Zhao stressed that together with the Japanese people and other peoples of the world, the Chinese people will firmly strive to prevent a recurrence of the tragedies that took place in Japan's Hiroshima and Nagasaki 40 years ago.

The Nihon Hidankyo, founded in 1956, is the only mass organization of atomic bomb victims. It now has 370,000 members.

GU MU ADDRESSES TOKYO SEMINAR ON OPEN POLICY

OWO61922 Beijing XINHUA in English 1904 GMT 6 Aug 85

[Text] Tokyo, August 6 (XINHUA) -- Practice will prove further that China's policies of opening to the outside world and economic reform will be carried out thoroughly and will not change, said Chinese State Councillor Gu Mu who spoke at a seminar here today.

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Gu Mu is now on a friendly visit to Japan after attending for two days the fourth Sino-Japan ministerial meeting at the end of July. Because many Japanese friends in the economic circles were concerned about China's open policy, the Japan Association for the Promotion of International Trade sponsored Gu Mu's lecture.

Gu Mu pointed out that China's open policy has progressed step by step. It is improper to say that China's open policy will change once certain measures are taken in China to strengthen the administrative work in certain sectors. It is absolutely normal, Gu Mu said, for any country to make certain adjustments in its policies when new developments crop up.

Gu Mu went on to say that Japan is highly industrialized country, a world leader as a high-tech commodity producer with a worldwide sales net-work; China, for many years is most unlikely to pose an economic challenge to Japan, but it can work as Japan's partner. Improvement of the current unfavourable trade between the two countries cannot be expected until both sides increase their exports to each other, he added.

Gu Mu also predicted great developments in Sino-Japanese economic and technical co-operation. He called on the two sides to consider the future to be bold when handling the Sino-Japanese trade matters.

Gu Mu concluded by saying that China and Japan have had good and stable political relations. Currently conditions are more favorable than at any time in the past for the development of Sino-Japan economic and trade relations and technological cooperation, he said.

Among the 100 people attending the lecture were Yoshiyama Hirokichi, president of Japan's Association for the Promotion of International trade, and Hasegawa Nutaro, advisor of the association.

WANG ZHAOGUO MEETS JAPANESE SOCIALIST GROUP

OW061310 Beijing XINHUA in English 1254 GMT 6 Aug 85

[Text] Beijing, August 6 (XINHUA) -- Wang Zhaoguo, China's chief representative on the 21st Century Committee for China-Japan Friendship, met and gave a banquet for a delegation from the Japanese Socialist Party here tonight.

Led by Ichiro Hino, member of the Japanese House of Representatives, the delegation has visited Xinjiang and Tianjin after arriving here July 30.

PRC-UK LAND COMMISSION ENDS HONG KONG MEETING

OW021805 Beijing XINHUA in English 1644 GMT 2 Aug 85

[Text] Hong Kong, August 2 (XINHUA) -- The second meeting of the Sino-British Land Commission ended this afternoon, with "good progress" made on the problems discussed, according to a press statement issued here. The three-day meeting, which opened July 31, discussed lease documentation including land sales by the Hong Kong Government, land auctions, provision of tenders and various problems concerning the workings of documents. The next meeting is scheduled for August 15 and will continue the discussion on lease documentation, the statement said.

The commission has been set up to deal with land leases and related matters, in accordance with the Sino-British joint declaration on Hong Kong.

The Hong Kong Government has halted all land sales transactions until further notice; this is expected to last for the duration of the land commission deliberations. The first meeting of the commission was held July 10 and 11.

HONG KONG FIRM OPERATES TIANJIN JOINT VENTURE

OW022050 Beijing XINHUA in English 1900 GMT 2 Aug 85

[Text] Tianjin, August 2 (XINHUA) -- A lining cloth mill, the first joint venture involving investment from local peasants and Hong Kong, went into operation here today.

Located in Jinghai County on the outskirts of Tianjin, the mill is jointly run by a local township company, a Hong Kong firm and the Tianjin Economic Development Corporation.

Of the total investment of 2.7 million U.S. dollars, the peasants contributed 50 percent, the Hong Kong firm, 40 percent, and the Tianjin corporation, 10 percent. All the equipment and technology were imported from the Federal Republic of Germany.

With a joint operation period set for 11 years, the mill will produce 12 million meters of adhesive-bonded lining cloth a year. The cloth will mainly be sold in Tianjin and northern China with some to be exported.

Speaking at the opening ceremony which inaugurated the mill's operations today, Vice-Mayor of Tianjin Li Lanqing said that there are 121 joint ventures in his city, of which 30 are already in operation.

FORMER FRENCH PREMIER MAUROY ARRIVES FOR VISIT

OW041756 Beijing XINHUA in English 1606 GMT 4 Aug 85

[Text] Beijing, August 4 (XINHUA) -- Chai Zemin, vice-president of the Chinese People's Institute of Foreign Affairs, met and gave a dinner here this evening in honor of former French Prime Minister Pierre Mauroy, his wife and their party.

Mauroy and his party arrived in Beijing yesterday as guests of the Chinese People's Institute of Foreign Affairs.

Meets With Zhao Ziyang

OW061548 Beijing XINHUA in English 1526 GMT 6 Aug 85

[Text] Beijing, August 6 (XINHUA) -- Premier Zhao Ziyang said today that China and France had forged very good political relations, while trade and economic links had made progress in recent years.

He hoped the two countries would develop friendly relations and co-operation on a wider range of issues.

Zhao was speaking at a meeting with visiting former French Prime Minister Pierre Mauroy and his wife at the Diaoyutai State Guesthouse here.

The Chinese premier met Mauroy during his visit to France last year when Mauroy was French prime minister. Zhao said Mauroy had made great contributions to the development of Sino-French friendly relations.

Mauroy described political relations between the two countries as "first rate", and said bilateral economic and technical co-operation was bearing fruit.

After the meeting, Zhao gave a dinner for the visitors.

HU QILI MEETS ITALIAN COMMUNIST DELEGATION

OW301822 Beijing XINHUA in English 1513 GMT 30 Jul 85

[Text] Beijing, July 30 (XINHUA) -- Hu Qili, member of the Secretariat of the Chinese Communist Party (CPC) Central Committee, met with a delegation of activists from the Italian Communist Party here today. Led by Elio Ferraris, member of the Italian Communist Party Central Committee and head of its Organization Department, the delegation arrived here July 12.

The Italian visitors were entertained at a dinner given by Qian Liren, head of the International Liaison Department of the CPC Central Committee.

HU QILI MEETS SAN MARINO PARTY DELEGATION

OW041453 Beijing XINHUA in English 1417 GMT 4 Aug 85

[Text] Beijing, August 4 (XINHUA) -- Hu Qili, member of the Secretariat of the Chinese Communist Party Central Committee, met here today with a delegation from the Communist Party of San Marino headed by its Political Bureau member Gloriana Ranocchini. Ranocchini was one of the two consuls captains-regent of San Marino between March and October of 1984 and the first woman Communist who served as head of state in the country's history.

Hu gave a dinner in honor of the delegation after the meeting. Present was Li Shuzheng, deputy head of the International Liaison Department of the C.P.C. Central Committee.

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

VICE FOREIGN MINISTER ZHOU NAN ENDS ITALY VISIT

OW052340 Beijing XINHUA Domestic Service in Chinese 0807 GMT 3 Aug 85

[Text] Rome, 2 Aug (XINHUA) -- Chinese Vice Foreign Minister Zhou Nan today concluded his official visit to Italy and departed for San Marino.

Vice Foreign Minister Zhou Nan arrived here on 29 July for a visit, at the invitation of Italian Vice Foreign Minister Corti. He has successively held talks with Italian Foreign Minister Andreotti and Vice Foreign Minister Corti and was received by Senate President Fanfani.

Zhou Nan and his party will proceed to visit San Marino, Austria, and Switzerland.

ACADEMY OF SCIENCES HEAD ENDS VISIT TO SWEDEN

OW022229 Beijing XINHUA in English 1458 GMT 2 Aug 85

[Text] Stockholm, August 2 (XINHUA) -- The Nobel Foundation will send a delegation to visit China this year at the invitation of the Chinese Academy of Sciences.

Professor Sune Bergstroem, chairman of the Nobel Foundation and the Royal Swedish Academy of Sciences, accepted the invitation extended by the visiting President of the Chinese Academy of Sciences Lu Jianxi.

Lu and a delegation of the Chinese Academy of Sciences arrived in Sweden on July 26 at the invitation of the Royal Swedish Academy of Engineering Sciences. The Chinese visitors discussed with Swedish departments concerned cooperation in science and technology and exchange of senior scientists between the two countries.

The Chinese delegation visited research institutions of Swedish universities and space research centers.

The delegation is leaving for home today.

CHEN MUHUA MEETS ROMANIAN LEADER AT RESORT

OW070216 Beijing XINHUA in English 0207 GMT 7 Aug 85

[Text] Bucharest, August 6 (XINHUA) -- Romanian leader Nicolae Ceausescu said today that Romania and China should look for new possibilities to enforce cooperation in production and trade between the two countries.

He made the remark while meeting with Chen Muhua, Chinese chairman of the Sino-Romanian Economic and Technical Cooperation Committee, at a Black Sea resort.

He said that the economic development of the two countries has created good conditions for bilateral economic and technological cooperation. The committee's task is to find new fields and new forms to enlarge the cooperation.

Chen Muhua, who is also alternate member of the Politburo of the Central Committee of the Chinese Communist Party and state councillor, briefed Ceausescu on preparatory work for the party's national conference of representatives to be held in September this year. She also informed him of the economic situation in China and China's economic plan for the next five years.

Chen said the Chinese leadership pays special attention to developing Sino-Romanian economic and trade relations.

Ion Dinca, Romanian first deputy prime minister and Romanian chairman of the Romanian-Chinese Economic and Technical Cooperation Committee, and Yu Hongliang, Chinese ambassador to Romania, were present at the meeting.

Chen Muhua arrived here on August 1 to attend the committee's sixth meeting.

ECONOMIC COOPERATION AGREEMENT SIGNED WITH POLAND

OW060648 Beijing XINHUA in English 0640 GMT 6 Aug 85

[Text] Warsaw, August 5 (XINHUA) -- Poland and China concluded an agreement here today under which they will develop economic cooperation by means of exchange of goods.

A delegation of the All-China Federation of Supply and Marketing Cooperatives arrived here on August 1 at the invitation of the Supreme Commission of Cooperatives of Poland.

The delegation leaves here for home tomorrow.

SPECIAL ENVOY IN BOLIVIA FOR INAUGURATION

OW050826 Beijing XINHUA in English 0756 GMT 5 Aug 85

[Text] La Paz, August 4 (XINHUA) -- Chinese special envoy Hu Hongfan and his party arrived here this afternoon to attend the inauguration of Bolivia's new president.

Among those at the airport to welcome the Chinese guests were Bolivia's Vice-President of the Senate Oscar Zamora Medinaceli and other Bolivian friends.

The inaugural ceremony will be held on August 6. So far, 36 foreign delegations have arrived here to take part in the ceremony.

Li Xiannian Sends Greetings

OW060910 Beijing XINHUA in English 0901 GMT 6 Aug 85

[Text] Beijing, August 6 (XINHUA) -- Chinese President Li Xiannian today expressed his belief that the friendship and cooperation between China and Bolivia will be further developed in the days to come.

Li said this in a congratulatory message to President-Elect Victor Paz Estenssoro on the occasion of his swearing in as Bolivia's new president today, a date which also marks the 160th anniversary of Bolivian independence.

Li said bilateral relations have entered a new stage with the recent establishment of diplomatic relations between the two countries.

The Chinese president expressed his confidence that the friendship and cooperation between the two countries and two peoples will develop further on a steady basis through the joint efforts of both sides.

FANG YI MEETS BRAZILIAN MINING OFFICIALS

OW300758 Beijing XINHUA in English 0654 GMT 30 Jul 85

[Text] Beijing, July 30 (XINHUA) -- Chinese State Councillor Fang Yi met here this morning with Eliezer Batista, chairman and president of the Brazilian Vale do Rio Doce (fresh water valley) Company, and his party. They exchanged views on the expansion of bilateral cooperation.

The company is one of the biggest state-owned mining corporations in Brazil.

Minister of metallurgical Industry Li Dongye was present at the meeting.

PEOPLE'S AIR FORCE UNITS DEVELOP RAPIDLY

OW062936 Beijing International Service in Mandarin 0900 GMT 6 Aug 85

[Text] The Chinese People's Air Force units have developed rapidly and have become a powerful force in the defense of the motherland's air space. Since officially established in 1949, the Chinese People's Air Force units have developed into a military arm with airmen as its major force, including antiaircraft artillery, surface-to-air missiles, airborne troops, and other fighting units, as well as radar and communications facilities. Its fighting power has exceeded its highest historical level. It was the Chinese Air Force's surface-to-air missile that was used to shoot down an intruding aircraft for the first time in world aviation history. It symbolizes a Class A fighting group which represents the Chinese Air Force's fighting level and is more than twice as powerful as its peak level in 1965. It has broken all historical bombing and shooting records.

The Chinese Air Force contingent is gradually fulfilling the task of reducing the average age of its members and raising their professional and educational levels.

LIAOWANG INTERVIEWS YANG DEZHI ON PLA REDUCTIONS

HK051432 Beijing LIAOWANG in Chinese No 30, 29 Jul 85 pp 10-11

[Special report by staff reporters Liu Huinian and Yi Jianru: "The Chinese Army Is Marching Forward Amid Reform and Reorganization -- an interview with Chief of Staff Yang Dezhi"]

[Text] Our government's decision to reduce our troops by 1 million and the major decision by the enlarged meeting of the CPC Central Committee's Military Commission on the reform in our Army's structure and the streamlining and reorganization of our Army has evoked worldwide reaction. What has been the impact of that enlarged meeting of the Military Commission on the development of our Army? How have these decisions been implemented in our Army since the meeting?

On the eve of "August 1st," with these questions in mind, this reporter went to the office of the Military Commission to interview Yang Dezhi, deputy secretary general of the Military Commission and PLA chief-of-staff.

Chief-of-Staff Yang, 74, was in a tan summer Army uniform, and looked hale and hearty. He warmly showed us into his office. After we told him our intentions for the interview, the chief-of-staff talked spiritedly.

Gesturing, the chief-of-staff said: This meeting is the major reform in our Army since the founding of the PRC and marks a strategic change that has been completed in the guiding thoughts concerning our Army's building. He said that all the commanders and fighters in our Army resolutely supported this decision of our government and that the work of reform in structure and of streamlining and reorganizing our troops has been carried out smoothly. This meeting will have a far-reaching impact on the work of building a modern and regular revolutionary Army with Chinese characteristics.

This old general who has fought most of his life for the revolutionary cause of the Chinese people recalled the process of streamlining and reorganizing our troops. When Comrade Deng Xiaoping was appointed vice chairman of the Military Commission and concurrently chief-of-staff in 1975, he put forth the "necessity for reducing the overstaffing in our Army." However, he was unable to accomplish that because of the intervention of the "gang of four" and for other reasons. With a relaxed sigh the chief-of-staff smiled and said: "It is only now that this goal of 'reducing overstaffing' has begun to be really achieved."

"A sharp reduction in the number of troops, a structural reform, and the streamlining and reorganization of our Army is based on scientific analysis of the international and domestic situations," said Yang Dezhi with a strong Hunan accent. "The total number of troops that we should maintain in peace time depends on various factors. On the one hand, it is a question of how we correctly analyze and judge the international situation; and on the other hand, it takes time for us to know how to more scientifically and rationally organize our troops in light of the situation in our country and Army and in accordance with the principle of gearing to both wartime and peacetime needs. For a period of time in the past, we overestimated the extent of the danger and imminency of world wars.

"When we talked about gearing to both wartime and peacetime needs, we put too much emphasis on wartime needs. As a result, the size of our Army was relatively too big. Now, in light of the CPC Central Committee's analysis of the international situation and in light of the changed focus of our work, when gearing to both wartime and peacetime needs, we should correctly handle the relationship between these needs and steadfastly implement the principle of streamlining our Army."

Comrade Yang Dezhi told us that the reduction of our Army by 1 million people can reduce by quite a large amount our defense expenditure each year. This will greatly facilitate concentrating our financial resources on satisfactorily carrying out our country's economic construction and embodies the principle that our troops put first the all-round needs of the state's construction. He said that structural reform will enable our Army to make great progress in streamlining our staff, combining various services, gearing to both peacetime and wartime needs, raising our efficiency, and improving our combat effectiveness. Therefore, Comrade Deng Xiaoping said that conducting structural reform and streamlining and reorganizing our Army is not a passive measure, but is a positive policy to improve our Army's combat effectiveness in the new period. It is a policy that is extremely significant for the development of our Army.

Concerning the characteristics of this streamlining and reorganization of our Army, Yang Dezhi said: First, the reform and streamlining are carried out simultaneously, pushing each other forward. Closely coordinating the reduction of staff, "the pulling down of temples," the improvement of equipment, the straightening out of work relations, the readjustment of organizational structure will result in reform taking streamlining along and making streamlining push reform forward. Second, the key aspects of work are stressed; our organs are to be streamlined, and our troops are to be strengthened. We are to vigorously reduce the staff in our organs and the units directly under the headquarters. There are to be relatively sharp reductions in the staff in our general headquarters, the organs of our various military regions, various Army services, and the National Defense Science, Technology, and Industry Commission. Third, there is to be a great change in the structure. The task of staff reduction is heavy. We should merge some military regions, disband a number of armies and divisions, and switch county and city People's Armed Forces departments to the jurisdiction of local governments and border troops to that of public security departments. A large number of staff will be reduced and arrangements should be made for a large number of cadres. All these characteristics show that this structural reform, streamlining and reorganization is a very arduous and difficult task and that we should have great determination and make a great effort to fulfill this task.

"What progress, then, has our Army made in its reform and reorganization at present?" we asked.

"First, we have reorganized the senior leading group of our Army. The three PLA general departments, the National Defense Science, Technology, and Industry Commission, the military regions, the various Army services have already reorganized their leading groups which have in the main employed cadres in accordance with the criteria of rejuvenation and have cadres from various age groups." Yang Dezhi said, "the reorganized leading groups are smaller with picked cadres who are younger and better educated. For example, the number of cadres in the reorganized leading groups of the three PLA general departments is 23.8 percent less than that of the previous ones. After the merger, the total number of all leading groups in our military regions is half of that of the previous ones. As for their age, the members of the leading groups of our military regions are 8 years younger than those of previous ones. The youngest deputy director of the General Political Department is 44 and the youngest deputy chief-of-staff in our General Staff Department is only 42. As for their educational background, most of the members of the senior leading groups have received a college education or have taken advanced courses in our military academies. They have relatively abundant experience in doing actual work in our Army and some of them are combat heroes. This major breakthrough constitutes a good beginning for the rejuvenation of the cadres throughout our Army and for satisfactorily reducing staff and reorganizing our Army. The senior cadres throughout our Army sincerely support the CPC Central Committee and the CPC Central Committee's Military Commission in its decision to rejuvenate the senior leading groups and many old comrades have consciously been 'enlightened personages,' and displayed lofty aspirations and a broad vision.

"Second, the leading groups of various large units are grasping the handing over and taking over of work." Chief-of-Staff Yang said that at the enlarged meeting of the Military Commission, members of the new leading groups of various military regions were appointed. Since then, the old and new leading groups have been smoothly handing and taking over the work. The comrades of the old leading groups have warmly briefed those of the new on the work situation and the new leading groups have expressed their will to satisfactorily carry on the fine tradition, shoulder responsibility, and live up to the great trust placed on them by the CPC Central Committee and its Military Commission. There is an atmosphere of carrying forward the revolutionary cause and forging ahead into the future throughout our Army.

Since the enlarged meeting of the Military Commission, Chief-of-Staff Yang said that various units have systematically relayed the spirit of the meeting to all units, thus making the thinking of the masses of commanders and fighters conform to the decisions made by the Military Commission. Judging by the reports presented to us, the whole Army's cadres and fighters resolutely support the government's decision on restructuring, streamlining, and reorganizing. In particular, in those units which are about to be abolished, merged, converted, or downgraded, many old comrades who are about to withdraw from the leading bodies and many cadres who are about to be demobilized have voluntarily subordinated their own interests to the overall situation and overall interests and displayed a sense of unity, a sense of discipline, and a high degree of political and ideological awareness. This major reform involves many things. However, there is still much stability in the Army. It is really amazing.

Chief-of-Staff Yang said: The work of reorganizing the whole Army will be completed in 2 years. After the completion of the reorganization, the system of military ranks will be instituted. It is also necessary to work out regulations on the military service of officers and regulations for nonmilitary personnel and to improve various rules and regulations so that the Army will go a step further toward regularization.

Chief-of-Staff Yang became increasingly excited while speaking. He said: After the fulfillment of the decision made by the enlarged meeting of the Military Commission, Army personnel and equipment will be reduced. However, quality will improve, and the troops will become crack troops with better combined capabilities. This will facilitate the use of the overall strength of various armed services and augment our Army's combat strength. In addition, by scientifically restructuring the Army and streamlining the organs at all levels, we can improve efficiency in peace and facilitate the commending of troops in time of war.

When the interview was over, my ears still resounded with the clear and forceful remarks made by the chief-of-staff: As a result of the reform and reorganization, our Army, by building and protecting its motherland, will certainly be able to contribute more to the country and play its appropriate role in safeguarding world peace.

AIR FORCE TO SELL TRANSPORT PLANES TO CIVILIANS

OW031344 Beijing XINHUA in English 1311 GMT 3 Aug 85

[Text] Beijing, August 3 (XINHUA) -- The Chinese Air Force is to sell more than 200 transport planes to civil aviation companies at knock-down prices, the LIBERATION ARMY DAILY reported today. The planes' air crews will be included in the deal.

The decision came following appeals from local aviation companies for the People's Liberation Army to help them. The Air Force will undertake air and ground services and overhaul and repair the planes, said the paper.

An agreement was signed in Beijing on Friday to transfer seven transport planes to the Zhongyuan Civil Aviation Company in Zhengzhou, Henan Province. Thirteen other aviation companies in Liaoning, Shaanxi, Hubei, Guizhou and Beijing are also hoping to clinch deals. A decision on whether to transfer more planes to Yunnan and Heilongjiang Provinces will be made soon.

In response to government requests for the PLA to help in the country's modernization drive, the Air Force earlier this year opened a number of airfields for civilian use, and gave up land to help local people develop production.

LI JINGQUAN MEETS CHENGDU MILITARY REGION LEADERS

HK030223 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 3 Aug 85

[Text] On the morning of 1 August, Li Jingquan, member of the Standing Committee of the Central Advisory Commission, spent the Army Day festival with leading comrades of the Chengdu Military Region. At 1000, when Comrade Li Jingquan arrived at the military region, Political Commissar Wan Haifeng and Commander Fu Quanyou went forward to welcome him. Smiling, Comrade Li Jingquan thanked them. Together with the new and old leading comrades of the military region, he recalled the arduous course traversed by the PLA and its great achievements over the past 58 years.

JINGJI RIBAO ON OPENING UP, SENSE OF DISCIPLINE

HK050959 Beijing JINGJI RIBAO in Chinese 2 Aug 85 p 1

[Commentator's article: "The Further We Implement the Policy of Opening Up to the Outside World, the More Necessary It Is for Us To Increase Our Sense of Discipline"]

[Text] At the enlarged meeting of the Hainan Regional CPC Committee, the grave mistake of the chief responsible persons of the regional CPC Committee and government in dumping unauthorized imported vehicles on the domestic market has been under discussion in earnest.

And a lesson is drawn from the mistake: The further we implement the policy of opening to the outside world, the more necessary it is for us to increase our sense of discipline. This understanding is very important. Not only should Hainan Island draw this lesson, but other localities and units should also attach great importance to this question.

To follow an opening up policy internationally and domestically is an important strategic decision of our party to invigorate the economy. Since the implementation of this policy, tremendous effects have been produced. Both opening up and reform are important policies which have a bearing on the future and destiny of our state and the immediate and long-term interests of the people, which should be implemented resolutely over a long period of time.

Problems emerging in the course of opening up such as the current problem of Hainan are not the outcome of the opening up itself, but the result of the fact that some comrades have lost their direction under the new situation, and that they have run counter to party spirit and seriously violated party discipline. It was not that they did not know that their practice had run counter to the party's policies and discipline, for departments concerned under the Central Committee and the State Council had pointed out their mistakes at the very beginning. However, they turned a deaf ear to this, and knowingly violated party discipline. The graveness of their mistakes lies precisely here.

In encouraging the people of the entire nation to foster high ideals, moral integrity, education, and a sense of discipline, Comrade Deng Xiaoping said: "Of course, high aspirations and discipline are the most important." He further pointed out: "Whether one observes party discipline and state law is the highest criterion for truly safeguarding and resolutely implementing the party and state policies." Some chief responsible comrades of Hainan Regional CPC Committee and government have precisely run counter to this.

The four modernizations we are engaged in are socialist modernization, and not modernization of any other nature. The series of policies we have adopted in reform such as opening up to the outside world and invigorating the economy aim at developing the socialist economy. Will reselling vehicles and television sets help develop the socialist economy? Of course not. We should not seek ill-gotten wealth, and by no means should we violate party discipline. The further we implement the policy of opening up to the outside world, the more necessary it is for us to increase our sense of discipline. We should bear this in mind.

HONGQI ON STUDYING CHEN YUN'S ECONOMIC WORKS

HK181151 Beijing HONGQI in Chinese No 13, 1 Jul 85 pp 7-10

[Article by Zuo Chuntai: "Being Concerned With Actual Practice and Blazing New Trails -- Some Understanding Gained From the Study of Comrade Chen Yun's Economic and Financial Thought"]

[Text] Conscientiously reading and studying Comrade Chen Yun's works on economics and finance will enable us not only to realize the arduous process of pioneering the great cause of the socialist economy, but also to profoundly understand Comrade Chen Yun's guiding thought and work methods for economic and financial work. Persisting in such study is of great significance to profoundly understanding the "Decision of the CPC Central Committee on Reform of the Economic Structure" and a series of important policy decisions implemented since the 3d Plenary Session of the 11th CPC Central Committee, and building socialism with Chinese characteristics.

While studying Marxism-Leninism, we should study its stand, viewpoints, and methods, rather than reciting certain decisions made in light of the conditions of a certain period of time. We should also do this in studying Comrade Chen Yun's works.

Seeking truth from facts is the core of Comrade Chen Yun's guiding thought for leading our country's economic and financial work. According to my understanding, his guiding thought has two implications: 1) Being concerned with actual practice; 2) blazing new trails. Combining them and following our own path is the fundamental characteristic of Comrade Chen Yun's economic and financial thought.

Being Concerned With Actual Practice

Fully based on facts, Comrade Chen Yun uses in his works terse language to expound complicated and important financial problems. The reason he can do so is that when he wants to talk about a certain subject, he does his best to carry out an in-depth study and investigation and think about it carefully. Under the guidance of the basic principles of Marxism, he gets right to the point. In a word, he proceeds in everything from actual conditions.

There is no doubt that many of the policies and measures adopted during the 1950's or 1960's are no longer applicable under the present new conditions. However, from Comrade Chen Yun's works, we can learn his viewpoints and methods of seeking truth from facts. They are still of extensive significance and are our valuable ideological assets for carrying out socialist modernization.

1. To persist in the practice of seeking truth from facts, in Yanan Comrade Chen Yun summed up his viewpoints and methods as follows: "We should be concerned with actual practice rather than relying on the upper level or books." It looks like a simple thing, but it is actually not easy to do.
2. To seek truth from facts, we should, first of all, clarify facts and exert great efforts to carry out investigations and studies. Comrade Chen Yun said: "While doing our work, we should spend more than 90 percent of our time studying the situation. Only less than 10 percent of our time should be spent on deciding our policies. All correct policies are formulated on the basis of scientific analysis of the actual conditions. However, some comrades do the opposite. Every day, they are busy making this or that decision. They rarely investigate and study the actual conditions. This working method should be changed." This is a basic method for solving the contradiction between the subjective and the objective.
3. "Doing things in an all-round way, making comparisons, and pondering over things repeatedly." Comrade Chen Yun maintains that we should pay attention to listening to the criticism of the people. Even if they do not criticize, we should imagine that some other persons might raise their objections. We should consider problems from all sides, including the reverse side. We should take into account various conditions and possibilities. Why should we ponder over things repeatedly? It is difficult to understand objective things. It is impossible to understand them at first glance. Therefore, it is important for us to be resourceful and decisive. Debate on the initial plan will help us give up the incorrect parts, make up the deficiencies, and add to the correct parts. Comrade Chen Yun said: "If people scold you when you make mistakes, it is easy for you to correct them. If people always flatter you, once you make a mistake, you make a gross one." These remarks contain a dialectical general truth. Actually, if we are unwilling or refuse to listen to criticism, it is difficult for us to make a correct judgment.
4. Weighing the advantages and disadvantages, and enduring small difficulties for the sake of big gains. It is difficult to work our perfect policies and devise perfect measures. While making a policy decision, we should minimize the disadvantages and try our best to gain much on the basis of weighing the pros and cons of the matter. This is what we call enduring small difficulties for the sake of big gains.

While leading the work of unifying economic and financial work shortly after the founding of the People's Republic, Comrade Chen Yun pointed out: "We will only encounter small difficulties in unifying economic and financial work, and the disadvantages involved are also small. If we fail to unify the work, we will encounter great difficulties as a result of financial and price hike storms. This will cause us great harm." ("Selected Works of Chen Yun" (1949-1956), p 48) Therefore, we should endure small difficulties in order to avoid the big ones. Such a view is identical with Lenin's idea. Lenin said: "We should be good at differentiating the greater danger from the lesser. We would rather endure the lesser danger than face a greater one." ("Selected Works of Lenin," Vol 4, p 379) As an old Chinese saying goes: "A good chess player plays the game with boldness of vision, whereas a bad one can only admit defeat." While doing economic and financial work, we should train ourselves to be 'good chess players' who can endure small difficulties for the sake of big gains and have a good grasp of the situation as a whole .

5. Allowing for unforeseen circumstances and preparing ourselves for both eventualities. It is not easy to understand objective things. It is also difficult to make perfect decisions and devise perfect measures. Therefore, Comrade Chen Yun always analyzes the situation repeatedly. When he makes any policy decision, he always thinks of the most difficult conditions and prepares for the worst. He allows for unforeseen circumstances and prepares himself for both eventualities. After making a policy decision, he does his best to minimize the disadvantages and defects that might be brought about by the decision itself, and to prevent their spread in the course of implementing the decision. Such a method of thinking of the most difficult conditions and the worst possibilities will enable us to make full preparations. It is, of course, a good thing if they do not occur. If they do occur, we have already been mentally prepared, and know how to deal with them. In this way, we may head off a disaster and avoid being thrown into a panic. Comrade Mao Zedong said: "While it is absolutely necessary to prepare for the worst possibility, this does not mean ignoring favorable possibilities; on the contrary, such preparation for the worst is precisely a condition for creating favorable possibilities and turning them into reality." ("Selected Works of Mao Zedong," Vol 2, p 742) While leading economic and financial work, Comrade Chen Yun almost wins all the battles. He suffers fewer setbacks in the work. Very often, he wins a greater victory than expected. Allowing for unforeseen circumstances and preparing himself for both eventualities is a main reason contributing to his success.

6. Constantly summing up experience, putting things into practice, understanding things, putting things into practice again, and understanding things again. With the constant changing of practice and the situation, our understanding of them should also change. While talking about the problem that we should pay attention to summing up experience in commercial work, Comrade Chen Yun said: "Without a new method, it is impossible for us to meet the needs of the new situation. To devise a new method, we should study the previous ones." ("Selected Works of Chen Yun" (1949-1956), p 338) This means that we should sum up experiences. Comrade Chen Yun maintains that summing up experiences is more important than doing day-to-day vocational work. Summing up experiences means further understanding the actual situation and practical experiences. Putting things into practice, understanding things, putting things into practice again, and understanding things again is the road we must follow in order to seek truth from facts. This is also the road we must follow now in order to proceed from reality and promote the four modernizations program with Chinese characteristics.

I believe that the above-mentioned points are the fundamental points in Comrade Chen Yun's ideological line of persisting in the practice of seeking truth from facts. They are also Comrade Chen Yun's specific use of Marxist materialist dialectics in practical work and important component parts of the Marxist ideological and work methods which Comrade Chen Yu upholds.

It is not appropriate to say that while doing practical work, we know nothing at all about the actual conditions. But we fail to spend 90 percent of our time on studying these conditions. Very often, we investigate hastily in order to make a decision on a certain matter. It is not a fact that we always make groundless decisions. However, very often our decisions are based on odd bits of information or a smattering of knowledge. Therefore, our decisions tend to be one-sided. It is not a fact that we do not discuss things with the masses. But, very often, we only discuss things with comrades who hold the same views. If we are unwilling to discuss things with comrades who hold different views, this means we are unwise and lack strategems. Under such circumstances, it is difficult for us to make good decisions. Sometimes, we may even make arbitrary decisions. Sometimes, we haggle over every ounce rather than enduring small difficulties for the sake of big gains. Sometimes, we base our plans on our wishful thinking and fail to allow for unforeseen circumstances or prepare ourselves for both eventualities. As a result, things run counter to our wishes. While making decisions in order to choose a certain plan, we might pay attention to its advantages and disadvantages. However, in the process of implementing the plan, we tend to neglect its weak points or defects. We only want people to praise us and refuse to listen to any criticism. In this way, we are unable to guard against, or fail to do enough work to guard against, the negative factors of the plan. Some comrades work hard and are busy all day. But they fail to pay attention to summing up experiences or are unable to sum up experiences historically and dialectically. They tend to negate everything or affirm everything. All this will harm our work. If those who are engaged in economic and financial work or other work can pay attention to learning from and using Comrade Chen Yun's work methods and leading methods, do things in a more dialectical way, and avoid the metaphysical approach, the level of their work will be considerably enhanced.

Blazing New Trails

Being concerned with actual practice and blazing new trails are the two aspects of a matter. While pondering problems, making judgments, formulating plans, and doing work, if we can truly seek truth from facts, integrate theory with practice, grasp inner links of things, namely the law governing their development, we will avoid breaking away from history and following the beaten path. In so doing, we will certainly be able to blaze new trails constantly, and promote our socialist modernization with Chinese characteristics. Economic and financial work in our country, guided by Comrade Chen Yun and his economic and financial books and articles, is deeply imbued with the creative spirit and the practice of blazing new trails based on the actual conditions in our country. For example:

(1) Shortly after the founding of the People's Republic, we faced a severe situation characterized by the sabotage of production and inflation after the retreat of the KMT. Curbing inflation and stabilizing commodity prices in the interest of the restoration and development of production so that the newly born People's Republic of China could get a firm foothold was both an important economic and political problem. The imperialists thought that we could not survive unless we begged alms from them. The national bourgeoisie also doubted our capability for carrying out construction.

On the basis of extensively conducting investigations and studies, Comrade Chen Yun considered finance, banking, and goods in a unified way. The method of decentralized management adopted during the wartime period was given up and a method of unified management was employed. A slogan of unifying the economy and finance, increasing incomes, and cutting down expenses and curbing inflation was put forward. At that time, although we did not have a clear concept of the three main balances [san da ping heng 0003 1129 1627 5899], the work of unifying the economy and finance carried out in 1950 included the basic points of unified and coordinated management of finance, credit, and goods, as well as their overall balance. During that period, financial revenues and expenditures, the arrangements of credits, and management of materials were carried out in a unified way. The work was successfully done. The success laid a good foundation for stabilizing the economic and political situation, victoriously carrying out the struggle to resist U.S. aggression and aid Korea, and restoring and developing the national economy. This was a universally acknowledged pioneering undertaking.

(2) We implemented a peaceful policy of redemption to carry out socialist transformation of the capitalist industry and commerce. Through adopting a guiding principle of using, restricting, and transforming private capitalism, and pursuing state capitalism which progresses from the elementary stage to the intermediate stage and finally to the higher stage, we completed the socialist transformation of private capitalist industry and commerce. This was a pioneering undertaking in the international communist movement. It is known to all that when Comrade Chen Yun presided over the work, he demonstrated his outstanding creativity and superb art of leadership.

(3) In 1956, shortly after the completion of the socialist transformation of the private ownership of the means of production, in light of the new situation and new problems occurring at that time, Comrade Chen Yun expressed the views on the "three principal parts and three supplements" of the socialist economy at the "Eight National Congress" of the CPC. He said that the state-owned and collective economy were the principal part whereas the individual economy was a supplement. Planned production was a principal part whereas free production was a supplement. The state-controlled market was a principal part whereas the free market was a supplement. This fully showed the idea of relying mainly on the planned economy while making regulation by market mechanism subsidiary. Comrade Chen Yun performed a rare feat in raising this issue as early as 1956, calling it a product of integrating the universal truth of Marxism with the specific practice in China. A number of problems which we intend to solve in the process of carrying out structural reform now were those put forward by Comrade Chen Yun more than 20 years ago. This precisely shows Comrade Chen Yun's foresight and sagacity.

(4) In 1957, Comrade Chen Yun theoretically generalized the scope and experience of the construction carried out during the First 5-Year Plan. He put forward the theories that the "scope of construction should be suited to our national power," and that the three main balances between finance, credits, and materials should be ensured. These theories still have great vitality to date. Facts have further proved that they conform to the objective laws.

(5) To explore the possibility of establishing an economic and financial management system with Chinese characteristics and make good preparations for formulating the Second 5-Year Plan, Comrade Chen Yun drafted the three regulations on improving the financial management system, the industrial management system, and the commercial management system. Generally speaking, these three reforms were interrelated. The previous financial management system of "deciding revenues according to expenditures and changing the plan annually" was turned into "deciding expenditures according to revenues and keeping the plan unchanged for 5 years."

This was a great change in the financial management system. Our present management system of "apportioning revenues and expenditures between the central and local authorities while holding the latter responsible for their own profits and losses" is actually an outgrowth and development of the financial management system followed in 1958. While formulating the regulation on reforming the industrial management system, Comrade Chen Yun proposed the expansion of the management power of provinces and cities over industry and the management power enterprise operators over enterprises. His proposal was to the point.

(6) During the period of the "Great Leap Forward" from 1958 to 1960, the financial balance was false, but deficits did occur. There was an excessive issuance of paper money which caused prices to go up. During the period of the 3-year readjustment, apart from curtailing capital construction, reducing the staff of the state organ, and carrying out unified management, Comrade Chen Yun devised in a planned way some measures of selling a portion of grain and light refreshments at a high price and setting up a number of expensive restaurants. These measures worked, and financial balance was restored and paper money was withdrawn. All this helped stabilize popular feeling and caused commodity prices to gradually return to normal. Commodity prices at country fairs also dropped almost to the previous levels. Just like the efforts to stabilize commodity prices in 1950, this was also a miracle. Comrade Chen Yun also put forth some famous views such as production before capital construction, technical innovation, tapping potentials, and reforming old enterprises before carrying out new projects, and others. Facts have proved that these principles are correct and that they are not yet obsolete.

(7) After the 3d Plenary Session of the 11th CPC Central Committee convened, Comrade Chen Yun explicitly pointed out: The main mistake we have committed in economic construction since the founding of the People's Republic was the leftist mistake. To correct the "leftist" mistake, draw a bitter lesson from the previous errors, and ensure a stable and coordinated development of the national economy, Comrade Chen Yun put forward a number of effective opinions. For instance, he said: We should soberly realize that ours is a country with a population of 1 billion including 800 million peasants. We are carrying out construction in such a country. While carrying out our construction, we should not let everyone strain under the pressure. We should, first of all, set the peasants' minds at rest, and let them rest and recuperate. We should reduce the amount of grain purchased from peasants and import grain. We should bring the scope of capital construction under control so that it will meet the financial and material capacity of the state. We should lower production quotas on iron and steel so that they are in line with the production quotas of other sectors. It is wrong to say that increasing production quotas means Marxism, whereas reducing production quotas means revisionism. Developing in proportion is fastest. Through readjustment, we should change the severe imbalances in the proportional relations in the economy. The principle of distributing financial and material resources of the state which we should follow is: First, feed the people; second, carry out construction. After feeding the people, the state must still have the power to carry out construction. We should enliven the economy. But we should avoid the tendencies of breaking away from the state plans. We should correctly handle the relations between the "bird" and the "cage." All these important guiding principles were in accord with actual reality and imbued with the spirit of blazing new trails.

Of course, the examples cited above are only those with which I am familiar. There are still many examples with have not yet been mentioned.

Most of Comrade Chen Yun's books and articles expound the party's line, guiding principles, and policies for a certain period of time. Very often, some comrades only pay attention to their historical and practical significance, but neglect their theoretical significance. It is wrong for them to do so. Just as Comrade Mao Zedong pointed out: "There is only one kind of true theory in this world, theory that is drawn from objective reality and then verified by objective reality; nothing else is worthy of the name of theory in this sense." ("Selected Works of Mao Zedong," Vol 3, p 775)

Only by Being Concerned With Actual Practice Can We Blaze New Trails

Our country is in a great historical, transitional period. The CPC Central Committee has demanded that we build socialism with Chinese characteristics, and break paths unexplored by people before. In other words, we should blaze new trails. Without blazing new trails, how can we build socialism with Chinese characteristics? To build socialism with Chinese characteristics, we should proceed from the national conditions of China. In other words, we should, first of all, be concerned with actual practice. If we fail to do so, we will not be able to keep abreast of the actual reality in China. Therefore, as far as methodology is concerned, building socialism with Chinese characteristics means unifying the efforts to be concerned with actual practice and the endeavor to blaze new trails. Practice has proved that only by being concerned with actual practice can we blaze new trails.

Over the past than 30 years since the founding of the People's Republic, we have scored great successes. But we also committed grave mistakes and suffered setbacks. The achievements we have made include unifying finance and the economy shortly after the founding of the People's Republic, stabilizing commodity prices, carrying out socialist transformation of capitalist industry and commerce, promoting reform in the rural areas after the 3d Plenary Session of the 11th CPC Central Committee, and so on. All these resulted from our efforts to be concerned with actual practice and our endeavor to blaze new trails. The mistakes and setbacks we suffered such as the "Great Leap Forward" in 1958, and the "Great Cultural Revolution" and so on were because we broke away from the actual reality in China and failed to be concerned with actual practice. We wrongly regarded fantastic ideas of this or that kind as "blazing new trails."

To build China into a socialist modern power, it is necessary to implement an open-door policy, and pay attention to learning from the drawing on the experiences of other countries (positive and negative experiences). There is no doubt about that. However, just as Comrade Deng Xiaoping has pointed out: "But the mechanical copying and application of foreign experience and models will get us nowhere. We have had many lessons in this respect." ("Selected Works of Deng Xiaoping," p 371-372) Mechanical copying of the experience and models of certain socialist countries or capitalist countries will get us nowhere. The only method we should follow is that we should strengthen investigation and studies, proceed from the reality in China, and constantly carry out our explorations and make progress in integrating our efforts to be concerned with actual practice with our endeavor to blaze new trails. In this respect, Comrade Chen Yun has always persisted in his work style of seeking truth from facts. He has set a good example for us.

XINHUA COMMENTATOR STRESSES MACROECONOMIC CONTROL

OW062047 Beijing XINHUA Domestic Service in Chinese 0735 GMT 6 Aug 85

[XINHUA commentator's article: "We Must Not Demand Uniformity in Cutting Everything, But We Must Demand Cuts" -- XINHUA headline]

[Text] Beijing, 6 Aug (XINHUA) -- We must not demand uniformity in cutting everything, but we must demand cuts. This is a principle for strengthening the macroeconomic control and management.

In view of the big increases in local administrative expenditures and excessive growth of group purchasing power, the State Council has called on all localities to cut this year's administrative expenditures by 10 percent over those of last year. Must we make this cut? Of course, we must.

Investment on capital construction has risen abruptly, causing strains in funds, shortages of materials, and low efficiency. In order to control the investment on capital construction, must we also cut down those unsuitable projects? Of course, we must. In controlling macroeconomic activities, we will unavoidably face the question of "cutting," that is, what projects should be cut and what should not be cut. Currently some comrades view the question differently. Professing their support for controlling macroeconomic activities, they will give one reason or another to oppose the control if it involves their own fields, asserting that control means "indiscriminate cutting of everything."

To conduct concrete analysis of a specific question: herein lies the essence of Marxism. The simplistic way of demanding uniformity in cutting everything without making concrete analysis is, beyond doubt, erroneous. However, if we regard the necessary "cutting" and correct control of macroeconomic activities as "cutting everything indiscriminately" and oppose the cutting, we will face the consequence of de facto cancellation of the macroeconomic control and accomplish nothing.

Judging from the macroscopic view of national economic development, the current industrial growth rate is too fast, investment scale on fixed assets too large, and increase of consumption funds too sharp. All of these need to be controlled and readjusted step by step. Indiscriminate cutting in the macroeconomic management indeed exists, but this is not the principal aspect of the question. What is important is to make vigorous efforts at "cutting," first of all, to affirm the necessity of cutting and, on this premise, strive to cut rationally and in a prudent manner.

Cutbacks will certainly create some difficulties and losses to certain local areas. Nevertheless, if we adopt an overall point of view, we will realize that difficulties and losses endured by local areas are needed for ensuring a healthy development of the national economy as a whole and that, without local difficulties and losses, more serious difficulties and losses will be suffered by the overall situation and ultimately by local areas too.

The Marxist theory of cognition tells us that discrepancy between cognition and reality and between a subjective view and an objective fact can take place with anything. In the course of controlling macroeconomic activities, "cutting" of individual projects may not be as appropriate as it should be. However, as men are flexible creatures, we should be able to correct an inappropriate cutting once it is discovered and after we sum up the experience.

Currently we must conduct effective macroscopic control over the overall interests, including the fundamental interests of local areas. We must draw a line of demarcation in our thinking: We must not demand uniformity in cutting everything, but we must demand cuts.

RESEARCHER SAYS PRC DEVELOPING NEW ECONOMIC MODEL

HK070329 Beijing CHINA DAILY in English 7 Aug 85 p 4

[Article by Tong Dalin, general secretary of China Economic Structural Research Association: "China Developing New Economic Model"]

[Text] All countries -- developed, developing and socialist -- are now focusing on the role of enterprises in an effort to improve their economy. For instance, while Britain is advocating private enterprise, France is trying to nationalize its enterprises.

Both the idea of a highly centralized "mandatory economy" and the so-called free "market economy" are being re-valued by world economists. Some economists believe that in presentday society, there is no pure "mandatory" economy or completely "free market economy."

In the past, competitors on the international market were individuals and small or medium-sized companies. Today, they are nations and multinational companies.

Countries of different social systems are all trying new economic models to adapt to the profound changes in the economic environment and thus occupy advantageous positions in the emerging world economic structure. China, too, should keep up with this trend and, through the current economic reforms, develop a new economic model for socialist economic management.

China's goal is to remove the obstacles to the establishment of a "socialist market-oriented economy," its new economic model is to focus on promoting enterprise vitality, and on correctly controlling the relation between the state and the enterprises and between enterprises and employees. Systematic reforms are under way in the planning system, labour and wage system and the role of state organizations in managing the economy. One task of the economic reform is to form a unified socialist market system.

The development of the socialist market-oriented economy demands closer economic ties between enterprises and the breaking-down of departmental and regional divisions. This means each region, city and rural area must open its door to others, in order to expand the market for consumer goods and production means. From now on, direct state distribution of products will be gradually reduced in variety and quantity and more goods will be put on the market.

In addition, efforts should be taken to further develop the technical market involving paid technical transfers, technical contract, consultation and services. Careful study is needed on the reasonable "flow" of labour and technical personnel.

With the improvement of the economy and the further implementation of the open policies, more and more capital will circulate in society. Capital circulation should be encouraged, including mutual and joint investment by local regions and departments and enterprises. In addition, the growth of foreign capital in China will encourage closer ties with the world financial market, and this will in turn call for further opening of the domestic financial market.

With the development of the unified socialist market system, the scope of mandatory planning will be gradually reduced and that of guide line planning enlarged. Under the circumstances, enterprise management will change from direct state control to indirect control. When this process is completed, the success of the economic reform will be in sight.

Indirect state control can be realized through various economic levers, such as adjustments in prices, profit rates, taxes, and salaries. The use of these economic levers in the socialist commodity system is a practical application of the principle of value. The practice of rigid price-controls and an overcentralized pricing system will be replaced by a new system combining fixed prices, floating prices and free prices, set either by the state, the enterprises or simply by buyers and sellers.

While the new policy encourages all kinds of banking, the traditional way of setting fixed rates on loans should be adjusted and a different one should be introduced that includes floating and favourable rates. In addition, ties with the world financial market need to be strengthened and more flexible means practiced to normalize Chinese exchange rates with world currencies.

The tax system also needs to be improved and different tax rates should be set controlling the income of central and local governments. This will make taxation an important lever for adjusting economic activities and for collecting state financial income.

Salaries should be linked to employees' posts and expertise. The total salary expenditures of an enterprise should be linked with its economic performance. In addition, salaries should be increased annually and really reflect the socialist principle of "distribution to each according to his or her work."

Often, one single economic lever does not bring the desired results. Therefore, various levers should be applied in order to achieve satisfactory results.

COMMENTARY ON JOURNALISM IN SOCIALIST CONSTRUCTION

HK060747 Beijing RENMIN RIBAO Overseas Edition in Chinese 4 Aug 85 p 2

["Special Commentary" by Hu Jiwei: "Study Journalism in the Period of Socialist Construction: -- (message introducing the first issue of XINWEN XUEKAN [JOURNALIST BULLETIN])

[Text] "Can journalism be regarded as a branch of learning?" Last year, there was a heated discussion around this question. That was a significant discussion. Through the discussion, it has been affirmed that journalism is a branch of learning. At the same time, we have also realized that our research work in the field of journalism remains rather weak.

Facts show that people who hold that "journalism is not a branch of learning" have not studied journalism and have little knowledge of journalism. Otherwise, why do they insist that journalism is not a branch of learning? However, it seems that even people who agree that "journalism is a branch of learning" do not have sufficient knowledge of journalism. I myself also agree that "journalism is a branch of learning," but I admit that even as a leading member of the society of journalism, my study of journalism is not profound enough and I have not mastered sufficient knowledge of journalism. If we had made remarkable achievements in the study of journalism and had published many high-level and influential works, then we would have had ample evidence to prove that "journalism is a branch of learning" and to have retorts for people who oppose this point. Then the controversy would have been settled more easily.

Therefore, when I uphold the viewpoint that "journalism is a branch of learning" and argue against the view point that "journalism is not a branch of learning," I think that it is more necessary to call for studying journalism in a down-to-earth manner and achieving more and better research results. The Chinese Federation of Journalism Society has decided to publish a journal XINWEN XUEKAN, whose task is to promote the study of journalism and to provide an academic garden for this study of journalism and to provide an academic garden for this study. It is our hope that some special works on journalism will be published when the studies of journalism are developed to a higher level.

It is a matter of course that we should study the general theory of journalism, but at present we should pay special attention to the study of journalism in the period of socialist construction.

We should admit that we have studied the theory of journalism in the period of the proletarian revolution. Our revolutionary teachers left to us many theories about journalistic work, and these theories may be found in their works in the period of revolutions. Of course, these theories are valuable and some of them still apply to the period of construction, but some of them are no longer applicable.

Still some theories were not correct even during the period of revolutions and were proved inapplicable by our practice in the period of construction. It is certain that they should not be taken as our tenets any longer.

Since journalism is an academic study of the objective regularity of all journalist work, it should have some common principles and rules for all journalistic work. However, journalism in different societies also has its particularities. Moreover, there are different ways to study, express, expound on, and employ the common regularity of journalism, which cannot be demonstrated different political inclinations and characteristics. For example, the study of journalism can be divided into Marxist journalism and non-Marxist journalism; and Marxist journalism can again be divided into journalism in the period of proletarian revolutions and journalism in the period of socialist construction.

As a matter of fact, class struggle should not be regarded as the main contradiction in our society after the liberation of the whole country and especially after the accomplishment of the three major transformations which basically eliminated the exploiting class in our country, and our party should shift its main task from class struggle to economic construction. The 8th National Congress of our party made fundamental changes in the party's line, principles, and policies. However, we deviated from the line laid down by this party congress before long and continued to stick to the line of "taking class struggle as a key link." As a result, we took a seriously erroneous roundabout course in our work, and our party, our country, and our people suffered from a terrible catastrophe.

Under the party's leadership, our journalistic industry has developed substantially and has made valuable contributions. However, we have also had the painful experience in which our newspapers publicized erroneous lines, principles, and policies and made a stormy sea even stormier. When summing up experience and drawing lessons from the "Great Leap Forward," Comrade Liu Shaoqi said: "Our newspapers enjoy high prestige. People often think that RENMIN RIBAO represents the central leadership. So whatever RENMIN RIBAO advocated, even when it advocated wrong things, people believed that it pronounced the opinions on behalf of the central leadership. Many things have occurred in recent years. The central leadership should be held responsible for half of these things, and RENMIN RIBAO should be held responsible for the other half. In fact, RENMIN RIBAO has given rise to many bad things and has produced very bad influence among the people. We can say that the disadvantages of having such a newspaper are even greater than those of having no newspaper at all." During the 10-year disastrous "Cultural Revolution," the mass media at the central level were controlled by a small number of counterrevolutionary careerists. The mass media played an extremely vicious role and performed extremely harmful functions. That was the disastrous effect of running newspapers in line with the principle of "taking class struggle as they key link." After the downfall of the "gang of four," especially after the 3d Plenary Session of the 11th CPC Central Committee, the party's Central Committee took measures to set things right and resolutely corrected the wrong line prevailing in the past. Then, the 6th Plenary Session of the 11th CPC Central Committee adopted an epoch-making resolution, which seriously summed up both positive and negative historical experiences and pointed out the reasons for our previous mistakes in theory and in practice. It also pointed out, in principle, the erroneous theory and practice in our previous journalistic work. It is a pity that we did not seize this good opportunity to seriously sum up our experience in our journalistic theory and practice by carrying out thorough investigation.

Some outdated theoretical viewpoints, which were formed in the period of revolution, were still governing our work, and some of these viewpoints were not correct even during the period of revolution. These erroneous guiding ideas have done serious harm on our journalistic work. Our main mistake before the downfall of the "gang of four" was that we adhered to and developed the theory and practice of "taking class struggle as the key link" as we did during the period of revolutionary wars. At present, our main task has become economic construction. So we should apply the basic theory of Marxism to formulate our principles and policies for our current socialist construction and to establish a set of theories to guide our practice in building socialism with Chinese characteristics. Our work and theory of journalism should be adapted to this strategic change. In this regard, we have made great efforts and have achieved marked results. However, we still have many things to do. We must rouse ourselves to catch up in studying journalism in the period of socialist construction. This is the most important task for this society of journalism at present. To study the theory of journalism for the period of socialist construction, we should, of course, study our theory of journalism established during the period of revolution and see what should be carried forward and what should be discarded. At the same time, we should properly sum up our main experience since the downfall of the "gang of four" and distinguish right from wrong on the question of combining theory with practice. We should also study and assimilate the valuable achievements of research in the field of journalism in history so as to serve our own purpose, and should apply Marxism to analyze and resolve issues concerning the establishment of journalistic principles and rules for the period of construction so as to gradually establish, enrich, and perfect the theoretical system of journalism for the period of socialist construction. This is a sacred mission entrusted to us by history.

When studying journalism in the period of socialist construction, we must carry out the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." First of all, we must ensure that "the hundred flowers" can be allowed to blossom and "the hundred schools of thought" can be allowed to contend, and should encourage all comrades working in the field of journalism and having interests in journalism to participate in the research of journalism. We need some professional researchers in the study of journalism, but the number of these people cannot be too large. Only on the basis of forming a mass research contingent can our journalistic research achieve outstanding results. Second, only under the condition to letting various opinions be aired can we compare different views and distinguish falsity from truth, discard the dross and select the essential, learn from each other and compete with each other, and enhance the general level. Third, only when the hundred schools of thought are allowed to contend can we create a situation in which the hundred schools of thought are contending with each other. People can judge what is right and what is wrong through free discussions and arguments, and some commonly accepted principles and viewpoints will be established.

Personal efforts are necessary in any academic research, and everyone of us should make painstaking efforts and work in a down-to-earth manner to make investigations, conduct theoretical research, and write academic works. At the same time, we should also rely on collective efforts. We should create an atmosphere of academic freedom, in which people can have a better opportunity to publish the results of research based on their personal work (this purpose can be achieved through the holding of various academic seminars and the publication of academic journals). Comrades holding different opinions should be able to air their views freely and to carry out comradely discussions on an equal basis. Their criticisms and counter-criticisms should be carried out on the basis of reasoning things out.

We must resolutely correct the long-standing evil practice of putting bad labels on other people and throwing one's weight on people who have different opinions.

This journal of ours will adhere to the four basic principles and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." We sincerely hope that a fine style of study and a free atmosphere in our academic research will be established. However, this journal will not be a "hodgepodge." We will ensure its quality. At the same time, this journal will not be open to a single kind of view; instead, it will be a garden open to a variety of articles which may air different viewpoints. We should encourage people to make explorations and to discuss various issues so as to create a real situation in which a hundred schools of thought can contend.

Of course, this is merely our ideal. Whether we can realize this ideal depends on the efforts of our editorial committee and all members of this society, and also depends on the support, supervision, and encouragement of all readers of this journal.

CENTRAL COMMITTEES ISSUE TREE-PLANTING CIRCULAR

OWO62158 Beijing XINHUA Domestic Service in Chinese 0943 GMT 6 Aug 85

[Excerpts] Beijing, 6 Aug (XINHUA) -- The office of the Central Greening Committee and the office of the Central Committee "Five Stresses, Four Beauties, and Three Loves" jointly issued a circular calling on all localities to actively publicize, organize, and unfold the activity of planting "three memorial trees" in order to speed up the greening of the motherland and promote spiritual civilization.

The circular said: The activity of planting "three memorial trees" advocated recently by Comrade Yu Fang and others calls for newly married couples to plant a "tree of the same heart" together, married couples to plant a "tree the same age as their child" when the child is born; and for family members, relatives, and friends of deceased to plant a "longevity tree" to express their sad feelings and love. The circular pointed out: This is a good and reasonable proposal for changing outdated etiquette and customs and building a new civilization.

The circular pointed out: Planting memorial trees is building spiritual civilization on the one hand, and greening the motherland, improving ecological environment, and generating fortune on the other hand. It has many advantages. This is especially true of a "longevity tree," planted after burial or cremation because the significance is in remembering him as if he were still with us, just like the tree. It is a very good activity for remembering the deceased. The circular hoped that all localities would do good planning, prepare for tree and sapling planting sites, and do a solid job in the activity.

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ANHUI UPGRADES SPECIAL CARE FOR PLA FAMILIES

OWO62115 Hefei Anhui Provincial Service in Mandarin 1100 GMT 31 Jul 85

[Excerpts] In support of the PLA's revolutionization and modernization, all localities in Anhui have energetically carried out and reformed their special care services for disabled servicemen, and family members of martyrs and servicemen.

Earnestly implementing the interim measures for giving preferential treatment to families of martyrs and servicemen and revolutionary disabled servicemen in the rural areas -- measures promulgated by the provincial people's government earlier this year -- all localities have reassessed the amount of allowance for the recipients of favored treatment, the standards of which have generally been raised.

Wuhu, Yixian, and other cities and counties, as well as some townships and towns, have reformed their preferential measures by extending preferential treatment to servicemen on the basis of their performance, or length of service, in the military. Those who have rendered meritorious service, who have extended their service, and who have taken part in self-defense against Vietnam, are all given preferential treatment along with their families.

All localities have also extended warm regards to the families of commanders and fighters who have taken part in self-defense against Vietnam. Bringing gifts, local party and government leaders have visited those families to hear their opinions and help them solve their production and living problems. In the outskirts of Fengyang County, families of commanders and fighters taking part in self-defense against Vietnam in the border areas have each received 500 yuan, along with gifts such as bedspreads, towels, food, and so forth.

FUJIAN RIBAO EDITORIAL ON SPIRITUAL CIVILIZATION

OWO61305 Fuzhou FUJIAN RIBAO in Chinese 5 Jul 85 p 1

[Editorial: "Raise the Building of Spiritual Civilization to a New Level"]

[Text] The province has held a ceremony to name and commend civilized cities, towns, and units and to sign an agreement on holding a spiritual civilization competition among Fujian's 10 cities. At the meeting, participants summed up their experiences in building spiritual civilization and studied basic measures for improving this work. The meeting will certainly further promote the holding of "five stresses, four beauties, and three loves" activities in both urban and rural areas of the province and bring about a new situation in building spiritual civilization.

The CPC Central Committee attaches great importance to building spiritual civilization. The 12th CPC Congress called on us to simultaneously undertake the building of socialist material as well as socialist spiritual civilization. Not long ago, in his speech at a national science conference, Deng Xiaoping said: "In building a socialist society the Chinese way, we must develop both material and spiritual civilization, uphold the 'five stresses, four beauties, and three loves,' and encourage the people of the entire nation to foster high ideals, moral integrity, education, and a sense of discipline. Of these four points, high ideals and discipline are particularly important." Comrade Chen Yun recently stressed: "In pursuing our socialist cause, unless the building of socialist material civilization and that of socialist spiritual civilization are undertaken simultaneously, the former may deviate from the correct orientation.

"No unit or individual can do a good job in building material civilization if it abandons or relaxes the building of socialist spiritual civilization. Worse still, it may divorce itself from socialist and communist ideals. This is very dangerous." Therefore, we must understand the importance of building spiritual civilization and must simultaneously grasp the building of the two civilizations. We must constantly raise standards in building spiritual civilization, constantly add new contents to it, and raise the building of spiritual civilization to a new level in close conjunction with current conditions of economic development, economic reform, and party rectification.

In building socialist spiritual civilization at present, we must give priority to effective ideological and political work and to education on revolutionary ideals and discipline in order to raise the political consciousness of cadres and the masses, overcome the lack of ideals and discipline among some cadres and people, and resist and prevent new unhealthy tendencies. We must guide cadres and the masses to carry forward the communist spirit; to resolutely carry out socialist policies; to foster communist ideals, observe revolutionary discipline, and implement the party's current policies; to consciously safeguard and implement the principles and policies of the party and the state; and to safeguard and carry out the laws, decrees, and provisions of the state. This is fundamental to the building of socialist spiritual civilization and must be done well. "The key to doing a good job in building socialist spiritual civilization lies in improving the ruling party's work style, raising the Communists' concept of party spirit, and resolutely safeguarding the purity of communism." Therefore, it is very important to conduct education on ideals and discipline among Communists because such education can encourage cadres and the masses to continue building socialist spiritual civilization.

The central leading comrades recently put forward requirements for markedly improving the standards of social conduct and social order in the cities. In response to the requirements, we should start working out specific measures for raising the civilized qualities of cadres and the masses, improving the work of eliminating "filth, chaos, and poor service" and achieving "good order, good service, and good environment," and really bring about a turn for the better in the standards of social conduct and social order. Civilized qualities comprehensively reflect a person's educational level, mentality, and moral integrity. Whether the work of eliminating "filth, chaos, and poor service" and achieving "good order, good service, and environment" can yield any results is directly related to a person's civilized qualities. To improve people's civilized qualities in our province in the present situation, we must focus on grasping the following four matters: 1) promote the use of civilized language, eliminate the use of bad language, popularize Mandarin, and discourage the use of local dialects; 2) promote public hygiene, cultivate hygienic habits, ban the uncivilized habits of spitting everywhere, writing graffiti everywhere, throwing away scraps everywhere, and storing materials everywhere, and create a good environment; 3) encourage the new habit of respecting the old and taking pleasure in helping other people, and foster unity and harmony in families, schools, and factories; 4) promote courtesy when receiving customers, improve the quality of services, and refrain from doing anything that harms the moral quality of the state and individual integrity. The work of improving civilized qualities is both specific and comprehensive. Therefore, all departments and trades should be organized to tackle every specific matter through various channels.

The work of building spiritual civilization in the urban areas of the province has been advancing along the correct path, but in the rural areas this work has been rather weak. It is necessary for us to pay equal attention to the work in both urban and rural areas and to make the work in urban areas lead that in the rural areas. The building of spiritual civilization in the rural areas must be made to promote the development of diversified economic activities, the division of labor, and the growth of a commodity economy there.

On the one hand, we must extensively continue the building of civilized villages and must not be satisfied with having achieved some results. On the other hand, we must pay attention to adding new contents to our activities and adopt new methods in integrating the building of specialized villages and specialized households with the building of civilized villages and civilized households and in integrating the work of helping industrious peasants to become well-off with the cultivation of new peasants with high ideals, moral integrity, education, and a sense of discipline, so as to enable material production and the building of civilized villages to advance as one entity. Our comprehensive efforts to eliminate "filth, chaos, and poor service" and to achieve "good order, good service, and good environment" in both urban and rural areas are bound to involve overall urban and rural construction and the construction of some facilities. Therefore, we must be practical and act according to our capabilities. We must work hard while also giving consideration to objective possibilities.

PARTY, PLA LEADERS ATTEND NANJING GATHERINGS

OW062112 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 30 Jul 85

[Text] The Jiangsu Provincial People's Government, the Political Department of the Nanjing Military Region, and the Nanjing City People's Government held an Army-government discussion meeting and a get-together respectively at (Jinling) Hotel and the Great Hall of the People on 29 and 30 July to celebrate the PLA 56th anniversary and the 40th anniversary of the victory of the war of resistance against Japanese aggression and the world's antifascist war.

Attending the discussion meeting and the get-together were Xiang Shouzhi, commander of the Nanjing Military Region; Fu Kuiqing, political commissar of the Nanjing Military Region; Guo Tao and (Wang Chengbin) deputy commanders of the Nanjing Military Region; (Liu Wentian), chief of staff of the Nanjing Military Region; (Yu Libo) director of the Political Department of the Nanjing Military Region; Cnen Hui, director of the Logistics Department of the Nanjing Military Region; Guo Linxiang, secretary of the Discipline Inspection Commission of the Central Military Commission; Zhan Danan, member of the Central Discipline Inspection Commission; Zhang Ming, Tang Shudi, Wang Jingmin, Li Baoji, Nie Fengzhi, (Wu Zhihong), and Zhou Deli, former responsible persons of the Nanjing Military Region; Zhen Shen, commander of the Jiangsu Provincial Military District; Yue Dewang, political commissar of the Jiangsu Provincial Military District; and leading comrades of the leading organ of the Nanjing Military Region and of famous military academies and schools under the military region.

Also attending the discussion meeting and the get-together were Han Peixian, Shen Daren, Gu Xiulian, Sun Han, Liu Lin, Qian Zhonghan, (Peng Weigao), Zhang Yaohua, (Bao Shenghua), and (Fu Quejian), responsible persons of Jiangsu Province and Nanjing City; and Kang Di, member of the Central Discipline Inspection Commission.

At the discussion meeting held on 29 July, Army and local responsible comrades gathered happily to exchange greetings and relive their friendship.

Army comrades introduced members of the readjusted leading body of the Nanjing Military Region and responsible comrades of various major units and departments of the military region. Local cadres also introduced the leading comrades participating in the meeting.

Gu Xiulian, deputy secretary of the Jiangsu Provincial CPC Committee and Jiangsu governor, spoke first at the discussion meeting.

She said: The PLA units stationed in Jiangsu are actively unfolding activities of supporting the Army and cherishing the people.

They have made a great contribution in such fields as supporting local construction, rushing to deal with emergencies and providing disaster relief, preventing and curing diseases, afforestation, unfolding activities of joint Army-civilian building of spiritual civilization, and promoting a change for the better in prevailing social conduct, and are praised by people in the province. We should extensively publicize the historical contribution the PLA has made in the Chinese revolution, the war of resistance against Japanese aggression, and the world's antifascist war, and its new contribution in safeguarding and building the four modernizations, thereby fostering a healthy trend of respecting and loving the Army in the whole society to support army building and smooth progress in the Army's structural reform and reduction-in-strength reorganization.

Xiang Shouzhi, commander of the Nanjing Military Region, also spoke at the meeting. He said: The people of Jiangsu have rendered strong support for people's soldiers, both in war and in peace. A deep friendship has been fostered between army men and civilians. Since the convening of the 3d Plenary Session of the 11th CPC Central Committee, leaders at various levels and people in Jiangsu Province have actively explored new ways to support the Army and give preferential treatment to army men's families in the new period, and have created a series of new practices and experiences by setting up job placement centers for personnel capable of both military and civilian jobs, welfare factories employing handicapped soldiers, and service centers for army men's families, receiving favorable response both inside and outside the Army. The Army-government and Army-civilian relationships in Jiangsu have always been good. We must cherish profoundly and develop vigorously the excellent situation. At present, the Army and the locality both shoulder an arduous but glorious task. We must learn from, respect, encourage, support each other, and advance hand in hand.

More than 3,000 army men and civilians attended the get-together held on 30 July. At the discussion meeting and the get-together, Army and government leading comrades, army men, and civilians joyfully watched story telling and ballad singing, Kunqu opera, and Peking opera programs performed by literary and art workers in Jiangsu. They also saw the movies "Emergency Action in Nanjing," and "Years Passing by Like Flowing Water."

ZHONGGUO XINWEN SHE ASSESSES NEW SHANGHAI LEADERS

HK060423 Beijing ZHONGGUO XINWEN SHE in Chinese 1211 GMT 5 Aug 85

[Report by reporter Chen Dawei: "First 50 Days in Office of Rui Xingwen and Jiang Zemin"]

[Text] Shanghai, 5 Aug (ZHONGGUO XINWEN SHE) -- Rui Xingwen, secretary of Shanghai Municipal CPC Committee and Jiang Zemin, deputy secretary of Shanghai Municipal CPC Committee and mayor of Shanghai, who have recently taken office, have in less than 2 months left a deep impression on the Shanghai citizens as being meticulous, modest, easy to get along with, but not indulging in empty talk. In particular when typhoon No 6 struck Shanghai a few days ago, Rui and Jiang inspected the afflicted areas, waded through the floodwaters amid the storm, and extended their regards to the citizens, which won the high opinion of the masses.

In mid-June 1985, Rui Xingwen and Jiang Zemin arrived in Shanghai under orders. Since they took office, they have repeatedly stated that they had long worked in departments at the central level, but never as local officials. It was natural that they were not familiar with work in the locality. Moreover, Shanghai is such a big city that things can be very complicated here. It would be rather difficult to do a good job without first conducting some careful investigation and research.

Therefore, as soon as they listened to the reports of all departments concerned in Shanghai, they promptly began on-the-spot investigations. They have covered factories, stores, schools, hospitals, Army units, news offices, scientific research institutes, residential areas, and all major traffic routes in the urban areas. It took them 12 and $\frac{1}{2}$ days to investigate the infrastructure of the city alone.

Over the past month and more, Rui Xingwen and Jiang Zemin have adopted two measures that caught people's attention: One was commending in a big way the exemplary personages who had battled the big fire in the Shanghai Painting Oil Manufacturing Factory; and the other was their personal participation in collecting rubbish together with sanitation workers of the urban areas; at the same time, they wrote an inscription, calling on the citizens to "respect and support" the cleaners' work. Public opinion in Shanghai thinks highly of this, holding that this has played a positive role in purifying the social atmosphere, and found expression in the thorough view of the new leading members in urban construction.

The two newly appointed leading members of Shanghai Municipality have on several occasions made appearances before the people of the whole municipality. However, they have so far failed to make a plan for delevering a thorough, systematic administrative program. At a meeting that has not been covered by the press, Jiang Zemin said to the news circles: "Those who are engaged in administration should not talk too much. Now people all hope that I will present them with a decent administrative report, which I hold is not practical. To us, the task for investigation and research is still heavy. Moreover, our personal strength is always limited; only when we rely on the cadres and masses will it be possible to do a good job in Shanghai. If there is some administrative program, it should be the 'Strategy of Economic and Social Development for Shanghai' approved by the State Council. We will implement this strategy for development in earnest by linking with the drawing up of the plans for the Seventh 5-year Plan." Jiang Zemin has recently expressed that his purpose as major of Shanghai is "seeking truth from facts, experiencing and observing the conditions of the citizens, and doing more practical work."

Xue Lijuan Interviewed

OW062336 Shanghai City Service in Mandarin 0100 GMT 29 Jul 85

[Passages within quotation marks are recorded]

[Text] This afternoon, Xue Lijuan, recently elected as vice mayor of Shanghai by the Fourth Session of the Eighth Shanghai Municipal People's Congress, granted an interview to our station reporter. Wearing a white blouse with embroidered flowers, Vice Mayor Xue, a good talker herself, was full of vigor.

[Reporter] "Vice Mayor Xue: As the first woman mayor of Shanghai, how do you feel?"

[Xue] "Sometimes, I feel very excited. I am not a writer, therefore, it is difficult for me to accurately describe my feelings. A woman comrade has her own intelligence and wisdom. She also has a responsibility to serve society. As a vice mayor, my job is arduous. First of all, I must learn from the old comrades, sum up their work experience and emulate their fine style of work. I must assiduously study Marxist-Leninist theories, as well as our party's principles and policies. I should also learn from those comrades working around me, and from the 10 million people in Shanghai. Second, I must extensively conduct investigation and research because, if one does not understand the actual situation..." [Xue's voice fades out]

Vice Mayor Xue is 49 years old. She graduated from the Shanghai Medical College No 2 in 1961. She completed her residency at the Zhongxin Hospital in Shanghai's Luwan District. She worked as the hospital's resident physician, physician-in-chief, and deputy director.

When our station reporter asked her if her patients would miss her after she assumes the city's leading post, Comrade Xue Lijian replied smilingly. "I believe that I would be happy if my job helped the broad masses of medical workers serve the patients even better."

Our station reporter then asked her how she plans to adapt to this new post in light of the changes in her job from an ordinary physician to vice mayor. Pondering this question, she replied: "I remember what Lu Xun said: A path often trodden by people becomes a road. A path overgrown with brambles becomes a road only if it is often trodden by people. Besides, my predecessors have already paved the way with pebbles. In addition, we have so many old comrades giving guidance to our middle-aged and young comrades. I shall be doing my job under the leadership of the municipal CPC Committee and the municipal government. The masses will inform me of their wishes and advise me. Therefore, I am guided by the party's principles and policies, and the wishes of the people in doing my work. Although I may face difficulties, I believe I shall be able to do a good job by hard work."

BIRTH, POPULATION GROWTH RATES DOWN IN SHANGHAI

OW060812 Beijing XINHUA in English 0756 GMT 6 Aug 85

[Excerpt] Shanghai, August 6 (XINHUA) -- Infants born in China's largest industrial city of Shanghai numbered 163,000 last year, 19,000 less than in 1983, the municipal Family Planning Committee announced today. The birth rate was 13.7 per thousand and the population growth rate 7.1 per thousand, a drop of 1.7 and 1.4 per thousand from 1983. The population of the city was 12,048,000 at the end of last year.

Now more than one million couples in Shanghai have been awarded one-child certificates by city officials. Couple who have more than one child are subject to certain extra fees.

While encouraging one child families, China allows parents who are both only children or whose first child is handicapped to have a second child. Such cases accounted for 2,350 infants in Shanghai last year.

17 KEY PROJECTS SLATED FOR COMPLETION IN GUANGDONG

HK050951 Beijing ZHONGGUO XINWEN SHE in Chinese 1342 GMT 31 Jul 85

[Text] Guangzhou, 31 July (ZONGGUO XINWEN SHE) -- At the provincial conference on construction of key projects, which concluded a few days ago, Guangdong Provincial Vice Governor Liu Junjie said that the progress of construction of Guangdong's key projects is quite satisfactory and that it is planned that by the end of this year, 10 construction projects will be fully completed and put into operation, while 7 others will be partly completed and put into operation.

Guangdong Province has 36 key projects (8 of which are the state's key projects). They are all projects concerning energy resources and communications and having an important bearing on the provincial economy. The following projects have already been completed and put into production: The Guangzhou Bridge, the 200,000 kw generators of the Shaoguan power plant, the two generators with a total capacity of 24,000 kw at the Baipenzhu Reservoir, Huidong County, and the Beijing-Wuhan-Guangzhou coaxial communications project. The following projects are expected to be completed and put into production by the end of this year: The Hongxing-Zhaoqing-Yunfu power transmission and transformer project, the eastern Guangdong and western Guangdong microwave communications project, and the nonferrous metals processing factory.

The construction of 19 projects is continuing or starting this year. Of them, the following have achieved a comparatively fast progress: The Yunfu sulphur iron ore dressing plant and rich ore smashing plant, the factory building for the No 1 generator of the Shajiao power plant. The tracks of the Sanyao section of the Guangzhou-Maoming railway have been laid to Zhaoqing as scheduled.

As a result of implementing the contract responsibility system in investment and bids, the construction of all key projects has been accelerated, costs have been reduced, and quality has been improved.

Liu Junjie pointed out that if Guangdong Province can complete the energy and communications projects this year according to plan, its installed capacity can be increased by 224,000 kw, the 220 kilovolt power transmission and transformer lines can be increased by 258 km, and the 110 kilovolt power transmission and transformer lines can be increased by 140 km. It will have 9 deepwater berths with a total handling capacity of 3.2 million tons a year, 51,000 program controlled automatic telephones, and 1,800 digital microwave circuits [yi qian ba bai lu shu zi wei bo xian 0001 0578 0360 4102 6424 2422 1316 1792 3134 4775]. When these projects are completed and put into operation, Guangdong's energy supply and communications will be improved.

HENAN CPC SECRETARY ON EDUCATIONAL DEVELOPMENT

HK010847 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 30 Jul 85

["Excerpts" of a speech by Yang Xizong, secretary of Henan Provincial CPC Committee, made at the provincial education work conference]

[Excerpts] Comrade Yang Xizong first affirmed that this educational work conference was a successful one. Then he said, no matter whether in revolution or construction, the major key to success is qualified personnel. Now, our historical task is to build our country into a modern, strong socialist country that has a high degree of material and spiritual civilization. This task is much more complicated and arduous than before. In addition, both the scale and number of qualified personnel needed are unprecedented. In particular, the importance of today's qualified personnel is greater than ever before.

Qualified personnel are needed in both production and management. They are also needed for developing science, technology, and other undertakings. On the other hand, qualified personnel are trained through the development of education, otherwise it would be like water without a source or a tree without roots. Therefore, in order to invigorate Henan's economy, we must greatly develop education.

Comrade Yang Xizong pointed out: The provincial CPC Committee and the provincial government must be determined to greatly develop education. From now on, in light of the situation, we should gradually work out measures and policies for developing the province's educational work. In connection with the actual conditions, the party committees and governments at all levels must adopt practical measures to develop education.

Comrade Yang Xizong further pointed out: Economic construction depends on education; whereas education should be geared to the needs of the economic construction and serve the four modernizations. Workers participating in education work must have a clear idea about the aim of undertaking the education work, and conscientiously serve economic construction and social development. All of our work must serve and be subordinate to the party's general task and general goal. This is the general guiding ideology for conducting education well, as well as the criterion for examining the achievements of a school. Only when we implement this principle can we develop more and better qualified personnel for the four modernizations and conform better to the needs of the economic construction and other constructions. In order to develop the educational undertaking, we must now be determined to grasp well the education structural reform, which is very comprehensive and has to solve many problems.

The party committees and governments at various levels must strengthen their leadership over the educational structural reform and the development of educational work. Acting in the spirit of the central authorities, they should check that their local areas and departments place the educational reform in an important strategic position, that they really understand the situation of education, that they conscientiously carry out the educational reform and develop education, that they grasp educational work the same as they grasp economic work, and that they treat educational work as the major key to the success of the four modernizations.

Comrade Yang Xizong stressed: In the course of reforming the educational structure, the party committees and governments at various levels must really strengthen ideological and political work. They must tell the masses about the reform plans, measures, and methods, and solicit opinions from them. Therefore, our reform will have a firm base among the people and conform better to the actual conditions in local areas.

In conclusion, Comrade Yang Xizong said: Henan, one of the birthplaces of the Chinese nation, is on the central planes. It has long been called the cultural cradle of the Chinese nation, of which we can be proud. Now, to invigorate Henan's educational undertaking and to improve the educational standards of the people are urgent strategic tasks of the province. They are also the common aspirations of the province's 70 million people. We believe that under the correct leadership of the CPC Central Committee, the province will succeed in the education structural reform, and will certainly enliven the province's educational undertaking, provided that the party committees and governments at various levels attach great importance to education, and that it makes fruitful efforts.

HUBEI PARTY LEADER EMPHASIZES URBAN REFORM

HK030333 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 2 Aug 85

[Excerpts] Provincial CPC Committee Secretary Guan Guangfu said while inspecting urban reform in Xiangfan City on 27 July: The provincial CPC Committee relies on two things in leading reform of the economic structure with the focus on the cities; one is the policy decisions of the central authorities, and the other is the valuable practice and the good initial experiences gained by the prefectures, cities, and counties. A Chinese-style economic structural pattern is now being probed. There is no ready-made road for guiding this reform. The only reliable method is to continually get in touch with new things, find out the new situations, and solve the new problems. The party committees at all levels in the province must pay attention to doing this.

The provincial CPC Committee has decided to convene a provincial conference on urban work to exchange experiences, pool people's wisdom and views, and map out a main road for promoting urban reform.

Comrade Guan Guangfu held: As a provincial pilot project in city leadership over countries, Xiangfan City has taken relatively big strides in reform and its work has been quite sound. It has achieved notable results in using the administrative forces of city leadership over counties, plus economic measures, in building six networks linking urban and rural areas and in dovetailing and enlivening urban and rural economies. Suizhou and Laohekou Cities have done a lively job in reform among the province's small cities. They have strong pioneering spirit and have developed quite quickly. They have played a significant role in invigorating and developing the whole of Xiangfan's economy. Many practices of Xiangfan City and these two small cities are useful for reference, in terms of urban-rural relations in Hubei and in city patterns, in linking large cities with medium and small cities and towns, and in linking cities and rural areas.

Comrade Guan Guangfu proposed five questions needing study and exploration:

1. On the functions and economic areas of the cities. We must break away from the old traditional concepts of grasping the rural areas and the cities as separate things and regard urban-rural relations as a single chess game. We should organize comprehensive operations and comprehensive development on our 180,000 square kilometers. We also have to place Hubei's economy on the national chessboard in studying [words indistinct]. We must broaden our vision and link the cities with their economic areas of radiation and attraction. It is essential to build the cities into multi-functional units, strive to enliven their enterprises, and correspondingly organize some centers, markets, and places providing comprehensive service. We should strengthen and bring into play their inherent vitality and their powers of radiation and attraction.

2. On technological transformation. The cardinal link in reform of the urban economic structure lies in invigorating the enterprises. The reserve force of the enterprises lies in technological transformation. In view of the current financial and material conditions, capital for technological transformation must be highly concentrated. We should use both Chinese and imported advanced technology to build a number of high basic-level comprehensive and systematically coordinated projects. As each project completes its transformation and is successful, it should produce key products and become a model enterprise so as to lay a firm foundation for invigoration during the last 10 years of the century. The enterprises should seek their existence and development through relying on progress in science and technology.

3. On building spiritual civilization. While building material civilization, the cities must attach great importance to building spiritual civilization.
4. On economic questions in border areas. Hubei is contiguous with six provinces. How to speed up economic construction in its border areas is a problem urgently awaiting solution. Opening the window of the border areas and developing the economy there must be put forward as a guiding principle in the province's economic development.
5. On industrial production. We should focus our economic work on improving economic results and product quality, strive to cut input consumption and production costs, and continually develop new products, so that the economy can develop in a steady and coordinated way.

HUBEI RADIO COMMENTS ON AGRICULTURAL PROBLEMS

HK040549 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 3 Aug 85

[Station commentary: "Seriously Sum Up the Experiences in Summer Grain and Early Rice Production and Get a Good Grasp of Autumn Grain Production"]

[Excerpts] There are only a few days to go to the beginning of autumn. Grain production is at a crucial moment. Seriously summing up the experiences of summer grain and early rice production and spurring autumn grain production is very important for achieving a bumper harvest this year.

At present here are some ideas and practical problems in certain places that are harmful to autumn grain production. For instance, some grass-roots cadres have a one-sided understanding of readjusting the production structure. They think that the grain problem has been basically solved, so it is not necessary to devote such effort again to grain production. They have thus relaxed leadership over grain production. Many peasants have also developed misunderstandings as a result of finding it difficult to sell grain in the past 2 years; they hold that grain is not so popular now, and so they do not lavish such efforts on grain production as in the past. There has been a marked decline in manpower engaged in grain production, and management is rather poor. Some specialized grain households slackened their efforts at the beginning of the year, with the result that their summer grain output declined. They are not very enthusiastic for promoting autumn grain production either. These problems directly affect autumn grain production, and merit attention.

We must realize that although the province's grain production has risen quite fast in recent years and some places now have a surplus, this is only a rise from a low level. Our agricultural production lacks strong capability to resist natural disasters. Grain production is still constrained to a certain extent by natural factors. Moreover, the consumption of grain will grow continually. The development of the food industry and animal husbandry will require large quantities of grain. We can only meet their ever-rising needs by maintaining steady growth in grain output. We are not in the crucial moment of protecting the midseason rice seedlings and transplanting the late rice. In areas where drought and insect pests have appeared, it is necessary to launch the masses to take remedial measures.

HUNAN SUSPENDS CAPITAL CONSTRUCTION PROJECTS

HK040910 Changsha Hunan Provincial Service in Mandarin 1100 GMT 2 Aug 85

[Text] Following a decrease in loans granted by the state this year, town and township enterprises in the province have resolutely reduced the scale of capital construction and concentrated their financial and human resources on developing key projects, thus promoting themselves to develop steadily, healthily, and in a coordinated way.

Early this year, the province planned to build, expand, and carry out technological innovations in some 7,500 town and township enterprise projects, and to invest some 910 million yuan in this aspect, an all-time high.

The State Council issued a circular in April on strictly controlling loans issued to town and township enterprises. In the face of the new situation, CPC committees and governments in all localities guided the cadres, staffs, and workers of all enterprises to conscientiously submit themselves to the macrocontrol of the states. They comprehensively checked all original capital construction projects, classified them individually, treated them differently, and assisted them selectively. They have concentrated their efforts on building new projects that are worth developing and those projects in their final stage, so as to put them into operation. As for those projects with insufficient funds and projects that have not yet been started, they have either been temporarily suspended or delayed.

There are now 1,801 town and township enterprise projects in the province that have been suspended or delayed. The investment fund has thus decreased by some 296 million yuan, nearly one third of the planned investment amount. Some 3,200 projects will be completed and put into operation with people's concentrated efforts, which will increase the output value by 500 million yuan this year.

In view of the insufficient funds of enterprises resulting from the decrease in loans issued by the state this year, the province's town and township enterprises, in carrying out capital construction and technological innovation, have changed the previous method of relying mainly on loans to that of relying mainly on funds raised by enterprises themselves. By now, town and township enterprises in the province have raised some 283 million yuan to speed up the development of some 500 projects.

HEBEI INDUSTRIAL ENTERPRISE DEFICITS INCREASE

SK051000 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 19 Jul 85

[Text] In the first half of this year, industrial enterprises in the province incurred more deficits. By the end of June, the deficits incurred by the industrial enterprises accounted for 84 percent of the provincial-assigned deficit quota for the year of the prefectures and cities in the province; the deficits of 9 increased over the corresponding period of 1984, and the deficits of 11 surpassed the annual deficit quota.

An analysis of a department concerned listed the following major reasons for the increased deficits:

1. Chemical and phosphate fertilizers have been unsalable, the production of such fertilizers declined, and overstocked products have been sold at reduced prices. Of the 14 money-losing enterprises in Shijiazhuang City, 11 are chemical or phosphate fertilizer enterprises. Of the 16 money-losing enterprises in Cangzhou Prefecture, 11 are chemical or phosphate fertilizer enterprises.
2. Last year, with an aim to raise wages, a few enterprises practiced fraud and overstocked a large quantity of low-quality products. Now such enterprises suffer from deficits because they have to sell old stock at reduced prices.
3. Some enterprises have sustained deficits as a result of poor management.

SPEAKERS ADDRESS TIANJIN SCIENTIFIC CONFERENCE

Li Ruihuan

SK050527 Tianjin City Service in Mandarin 0030 GMT 3 Aug 85

[Text] The Tianjin municipal work conference on conducting reforms in scientific and technological systems has proceeded into its fourth day. On the morning of 2 August, attending the conference were leading comrades of the municipal party and government organs, including Zhang Zaiwang, Li Ruihuan, Wu Zhen, Tan Shaowen, Yang Jingheng, Bai Hua, Liu Zengkun, He Guomo, and Nie Buchu.

At the conference Mayor Li Ruihuan delivered a speech on the basic issue of gearing scientific research to the economy, having the economy depend on scientific research, and of closely integrating scientific research with the economy. In his speech he stated: The current excellent situation has resulted from the very hard work done by the people and the broad masses of scientific and technological workers throughout the municipality. Everyone should take concrete actions in improving or developing the economy. Owing to the existing problems, we should turn to science and technology for help. Except for conducting education on ideology, giving material encouragement, and imposing administrative sanctions, it is most important for us to rely on the hard work done by the scientific and technological personnel and on their research results. We should note that grasping science and technology represents the key to strengthening macrocontrol in order to deal with the problems cropping up in economic development. Therefore, the development of Tianjin depends on that of science and technology.

In referring to the question of integrating scientific research with the economy, Mayor Li Ruihuan put forward an analysis in the following five points.

- L. The former backward administration over scientific research ran counter to the law of science and technology.
2. The research units and production departments in the past resisted and were separated from each other, resulting in technical weaknesses in the production forefront.
3. The research units on various fronts in the past did not communicate with each other well and achieved no harmonious relationships.
4. The former plans for scientific and technological research and the former managerial system of the economy were unreasonable. The former scientific research was not connected with production.
5. The former scientific and technological work was monopolized and allocated by the state and was controlled by the departments and units so that the scientific and technological personnel could not be transferred in a reasonable way.

Li Ruihuan stated: In order to thoroughly implement the principle of gearing scientific research to the economy and having the economy depend on scientific research, it is imperative to deeply carry out reforms in the scientific and technological systems. In conducting reforms, we should have most scientific research units, particularly those that are closely related to technical development, show enthusiasm for gearing their work to the economy and enable their scientific researchers to actively show concern for the needs of production and to attach importance to conducting education on social production in order to enable social enterprises to engage in production in line with the results scored by the scientific research units and to pay certain rewards to scientific research units or researchers. This is the (essence) of the transformation drive.

The work of conducting reforms in scientific and technological systems is complicated, so we should follow the principle of being prudent in fighting the first battle, being sure of victory, and we should conduct careful guidance.

Comrade Li Ruihuan pointed out: Efforts should be made to earnestly sum up the good experiences gained over the past few years and to popularize them in a planned manner. We should actively conduct pilot work in various fields, vigorously conduct the transfer of research results, and should give encouragement to overcoming technical difficulties cropping up in specific production. The scientific research units should actively draw close to various industries, trades, and enterprises and establish coordination with them in order to help enterprises deal with their existing problems.

In addition, Mayor Li Ruihuan in particular referred to the question of having the economic departments depend on science and technology. He stated: Having the economy depend on science and technology and gearing science and technology to the economy are the two sides of the matter. Therefore, integrating scientific research with the economy requires both sides to make efforts in this regard. The economic departments should also enhance their understanding in this regard and attach importance to the demands for depending on science and technology. They should go public in recruiting talented personnel and offer suggestions and demands to scientific research units, and should appropriate adequate funds for developing intellectual resources and technology. They should pay attention to bringing into play the technical force of enterprises and must gear their work to both commodities and technology in order to obtain information in both regards and to conduct competition in both of them. By enlivening or pushing forward science and technology, they should reach the target of winning markets with fine-quality commodities.

I. 7 Aug 85

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PRC REGIONAL AFFAIRS
NORTH REGION

Ni Zhifu

SK040523 Tianjin City Service in Mandarin 0030 GMT 4 Aug 85

[Text] After a 5-day session, the Tianjin municipal work conference on conducting reforms in scientific and technological systems concluded on 3 August. During the conference, more than 500 representatives from various circles earnestly studied the decision made by the CPC Central Committee with regard to conducting reforms in scientific and technological systems and the speeches given by central leading comrades. They also held full discussions in line with the reports given by leading municipal personnel, including Comrades Li Ruihuan and Yang Jingheng, and by taking the actual situation of the municipality into consideration. As for the concrete measures formulated by the municipal scientific and technological commission and the departments concerned for carrying out reforms in this regard, they put forward many favorable opinions and suggestions.

At the closing ceremony of the conference, Ni Zhifu, secretary of the municipal CPC Committee, delivered a report in which he stated: The prominent question facing by the current program of carrying out economic construction and conducting scientific and technological work is how to turn scientific and technological results into productive forces as soon as possible. This means that we should transform our latent productive forces into practical ones. Our program of conducting reforms aims just at dealing with this question. Successfully conducting reforms in scientific and technological systems is the arduous task imposed on the scientific and technological departments and the broad masses of scientific and technological personnel. We would like these personnel to exert an all-out effort to turn out more results rapidly and to concentrate on popularizing these results, on rendering a scientific and technological service, and on consolidating related results. Efforts should be made to strengthen the close cooperation between scientific and technological research and production systems or consumer units. In conducting reforms in scientific and technological systems, we should regard all tasks, such as conducting reforms in the system of appropriating funds to scientific and technological research units, commercializing scientific and technological results, opening more technical markets, delegating more self-determining power to scientific and technological units, doing away with the barriers between different departments and regions, vigorously developing lateral economic coordination, and strengthening the enterprises' ability to introduce outside techniques and develop production, as our sole purpose in enabling scientific and technological results to become practical productive forces in a rapid and extensive way and ensuring close cooperation between scientific and technological research and economic programs.

Comrade Ni Zhifu also pointed out: Intellectuals are the comrades of the working class's rank who have gained much knowledge in culture and science. We should acknowledge that, at present, the proportion of intellectuals in the rank of the working class is not large enough. Therefore, our arduous task is to increase this proportion by exerting an all-out effort. The final foothold of the policy on intellectuals repeatedly stressed by the CPC Central Committee aims at better strengthening the inner unity of the working class. Therefore, we should repeatedly make it clear that we are giving the necessary guarantee to intellectuals in order to carry out our overall plans required by the program of building the four socialist modernizations, and are not showing one-sided concern for them.

Referring to the question of talented personnel, Comrade Ni Zhifu stated: Only by doing away with the old rules and regulations and widening its field of vision can the party's leadership at all levels find talented personnel. In line with their strong points, we should make full use of scientific and technological personnel, because some of them are involved with research, some are specialists, and some are enterprising.

Meanwhile, we should note that the vast number of people possess great latent scientific and technological power. This the important task that we should not ignore in developing science and technology.

In his report, Comrade Ni Zhifu stressed: Efforts should be made to strengthen the party's leadership over work and to ensure achievements in conducting reforms in economic, scientific, and technological systems. We should also change the dialectical relationship of dependence and interdependence [yi kao mian xiang] between economic construction and science and technology. In developing the economy, efforts should be made to give priority to the task of making technical progress. In order to ensure smooth progress in conducting reforms in scientific and technological systems, Comrade Ni Zhifu pointed out that a good job should be done in grasping the following tasks:

1. Efforts should be made to strengthen the ideological and political work among intellectuals and to enable the work to infiltrate into the practice of conducting reforms and into scientific experimental work. We should basically focus on showing concern for intellectuals, render a service to them, gradually know well those who are working for us, master the characteristics of the contradictions cropping up in scientific research, and should also know well the characteristics of intellectuals. Leading cadres at all levels should become friends with intellectuals.

2. Directors of logistics departments should do their jobs well to help intellectuals deal with their problems and difficulties. We should help them as much as possible and show concern not only for their livelihood, but also for their work.

3. Efforts should be made to stimulate party members to become vanguards and to set examples in conducting reforms, and to closely integrate the program of conducting reforms with the party rectification drive for their mutual promotion.

Also attending the closing ceremony of the conference were leading municipal comrades, including Zhang Zaiwang, Li Ruihuan, Wu Zhen, Tan Shaowen, Yang Jingheng, Bai Hua, Xiao Yuan, Liu Zengkun, He Guomo, Chen Ruyu, Li Zhongyuan, Nie Bichu, and Song Zhenchun. Comrade Tan Shaowen was also on hand and delivered a summing-up speech.

INFERIOR GOODS FROM PROVINCES REPORTED IN TIANJIN

SK050550 Tianjin City Service in Mandarin 0030 GMT 5 Aug 85

[Text] Along with the establishment of a multichannel circulation system after the reform of the commercial structure, a large quantity of low-quality manufactured goods produced by other provinces are flowing into the municipal markets, thus seriously infringing upon the interests of customers. Most of these low-quality products are light and textile industrial products and home electrical appliances.

Not long ago the Zhongyuan and Quanechang department stores on two occasions purchased many women's sandals from Fuzhou and Chaozhou. Due to their poor quality, many customers who bought these sandals returned to these department stores and asked for exchanges. Of the more than 6,000 sandals purchased from Chaozhou, 70 percent were exchanged. Damages in this regard are more serious for some collective shops. A worker of the (Huanqiu) department store said: Several months ago the department store ordered some 20,000 woolen sweaters from a company in Shenzhen in line with the samples provided by a department concerned. According to the samples, the sweaters were made of pure wool, but the sweaters received were made of a blend fabric. The design, size and color were inferior to those of the samples. A number of inferior home electrical appliance from other provinces also have appeared on the municipal markets. [Passage indistinct].

HEILONGJIANG ECONOMIC REFORM CONFERENCE ENDS

SK010935 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 31 Jul 85

[Excerpts] The provincial conference on economic structural reform, which closed on 31 July, called for efforts to vigorously carry out urban reform, give full play to the multiple functions of cities, push the reform of the entire economic structure onto a new stage, and lay a solid foundation for reform in the future.

This conference was convened on 26 July in Mudanjiang City. Attending the conference were principal leaders of various prefecture cities, and counties; responsible comrades of various commissions in charge of reforming the economic structure; responsible persons of pertinent departments at the provincial level; and some economic theoreticians, more than 300 people in all. Attending the conference on invitation were responsible persons of the State Commission for Reforming Economic Structure and responsible comrades of pertinent departments in Shanghai, Liaoning, Anhui, and two other provinces. The conference was presided over by Du Xianzhong, chairman of the provincial Commission for Reforming the Economic Structure. Hou Jie, deputy secretary of the provincial CPC Committee and governor of the province, delivered a report at the conference entitled "Give Full Play to the Multiple Functions of Cities and Push Forward the Reform of The Entire Economic Structure." Comrade Chen Yunlin, deputy secretary of the provincial CPC Committee, spoke at the conference.

At the conference the participants conscientiously discussed ways to make urban reform a success and to give full play to the multiple functions of cities. The conference stressed: Urban reforms has now become the central link of reform of the entire economic structure. The success or failure in reform of the entire economic structure to a great extent hinges on the work of giving full play to the multiple functions of cities. Leaders at all levels in urban areas must firmly grasp this orientation for reform and actually pay attention to the work in the following five aspects, focusing on invigorating enterprises, large and medium-sized enterprises in particular, developing commodity production, and increasing economic results.

1. We should continue to grasp the work of simplifying administrative procedures, delegating powers to the lower levels, and further invigorating enterprises. This year, in terms of simplifying administrative procedures and delegating powers to the lower levels, we should give prominence to consolidation of various administrative companies at all levels, in addition to further entrusting enterprises with powers that have been transferred to them by the central and provincial authorities.
2. We should develop horizontal economic cooperation and gradually establish some tree-type economic groups, each with a big city as the tree trunk, with medium-sized and small cities as branches, and with enterprises as the leaves. We should carry out reorganization, integration, and specialized cooperation among various trades, with backbone enterprises as the supporter, or with top-brand products as the leader, and form a number of group enterprises through economic methods.
3. We should open the doors of cities, open more markets for consumer goods, actively run markets for the means of production, and establish technical, banking, and labor service markets.
4. We should accelerate the construction of basic facilities of cities and raise the capacity of comprehensive services. From now on, cities should spend their limited funds on developing capital construction and the tertiary industry, on improving the investment environment of cities, and on strengthening their ability to serve their own economic zones.

5. We should comprehensively apply economic levers to strengthen the control and management of the macroeconomy.

The conference stressed that to promote the reform of entire economic structure focusing on the urban economy, we must strengthen the party and government leadership over reform work. Leaders at all levels should further straighten out their ideology guiding the reform and adhere to proceeding from facts. They should not compete with one another in speed to the neglect of results in the reform.

JILIN PEOPLE'S CONGRESS COMMITTEE MEETING ENDS

SK011337 Changchun Jilin Provincial Service in Mandarin 1030 GMT 31 Jul 85

[Excerpts] After a 5-day session, the 14th Standing Committee meeting of the 6th provincial People's Congress ended on 31 July.

Zhao Xiu, chairman of the provincial People's Congress Standing Committee, presided over the meeting. Liu Cikai, vice chairman of the provincial People's Congress Standing Committee, relayed the guidelines of the 11th Standing Committee meeting of the 6th NPC.

The meeting examined, discussed, and approved regulations on the Yanbian Korean Autonomous Prefecture exercising autonomy, the provisional regulations on Jilin provincial environmental protection, and the regulations on several issues on formulating and enforcing local laws and regulations passed by the Standing Committee of the Jilin Provincial People's Congress. The meeting also listened to a report on basically popularizing common legal knowledge among all citizens of the province in the coming 5 years made by (Zhao Dechuan), director of the provincial Judiciary Department, entrusted by the provincial people's government.

Through discussions, the meeting formulated a policy decision on strengthening propaganda and education on the legal system and popularizing common legal knowledge. The meeting also formulated a decision on setting up the branch of the Hunjiang City Intermediate People's Court and the Hunjiang forest branch of the Jilin Provincial People's Procuratorate, and adopted personnel appointments and removals.

Attending the meeting were vice chairmen of the Standing Committee of the provincial People's Congress, including Huo Mingguang, Wu Duo, Cui Lin, Yu Ruihuang, Dong Su, Renqinzhamsu, Zhu Jinghang, and (Yu Yuanchun). Attending the meeting as observers were Liu Shulin, vice governor of the provincial government; and responsible persons of the provincial Higher People's Court: the provincial People's Procuratorate; provincial-level departments concerned; city and prefectural people's congress standing committees; preparatory groups for Gongzhuling, Tonghua, Hunjiang, and Mengloukou City People's Congress Standing Committees; and the Baicheng prefectural office.

QINGHAI ELECTS SONG RUIXIANG PROVINCIAL GOVERNOR

HK061438 Beijing XINHUA Hong Kong Service in Chinese 1327 GMT 6 Aug 85

[Report: "Song Ruixiang Is Elected Qinghai Provincial Governor" -- XINHUA headline]

[Text] Xining, 6 Aug (XINHUA) -- At the Third Session of the Sixth Qinghai Provincial People's Congress which concluded today, Song Ruixiang [1345 3843 4382], a 46-year-old geological engineer, was elected Qinghai's provincial governor. Before that, he was director of the Qinghai Provincial Department of Geology and Mineral Resources.

The People's Congress also elected 49-year-old Bian Yaowu [0593 5069 2976] and 47-year-old Wu Chengzhi [0702 2110 1807] as vice governors of the province. They both graduated from universities in the early 1960's, and one was even a graduate student. Both have worked in Qinghai for more than 20 years. Before being elected vice governors of the province, Bian Yaowu was a deputy director of the provincial Commercial Department, and Wu Chengzhi was a deputy director and general engineer of the provincial Transport Department.

The People's Congress session accepted the resignations of former provincial Governor Huang Jingbo, 66, and former Vice Governors Yin Kesheng and Jing Shengming.

In early July, leaders of the Qinghai Provincial CPC Committee were changed. Yin Kesheng was appointed secretary of the provincial party committee. Yin Kesheng is 53 years old this year. He graduated from Beijing Petroleum College, and was engaged in oil exploration work in Qinghai's Qaidam Basin in the early 1950s. He has acted as a deputy director of the Qinghai Petroleum Research Institute, director of the Qinghai provincial Management Bureau of the Petroleum Industry, and member of the Standing Committee of the Qinghai Provincial CPC Committee in the past.

YIN KESHENG SPEAKS AT QINGHAI PUBLIC JUDGMENT RALLY

HK311454 Xining Qinghai Provincial Service in Mandarin 1100 GMT 30 Jul 85

[Excerpts] After a 5-year delay the case of (Yang Xiaoming), who committed premeditated murder, was eventually retried. Yin Kesheng, secretary of the provincial CPC Committee, pointed out: In the retrial of the case of (Yang Xiaoming), a murderer, justice was promoted and the popular indignation was pacified.

Yesterday morning, the Xining City Intermediate People's Court held a public judgment rally to openly pronounce the judgment that (Yang Xiaoming), who committed premeditated murder, be sentenced to death, deprived of political rights for life, and be executed immediately. Some 20,000 people of various nationalities in Xining City attended yesterday's public judgment rally and some 100,000 people listened to the live broadcast.

Yin Kesheng, secretary of the provincial CPC Committee, spoke at yesterday's public judgment rally. In his speech, Yin Kesheng said that the case of (Yang Xiaoming), who committed premeditated murder, was originally a case in which facts were clear and evidence of the crime was authentic. The grass-roots political and legal department and some comrades who impartially administered the law, had put forward a correct view on the just penalty.

However, due to the fact that at that time, some leading cadres of the provincial Higher People's Court and personnel handling the case ran counter to the principle of regarding facts as the basis and the law as the criterion to deal with the case, negated the Xining City Court's view that he should be sentenced to death and executed immediately, and wrongly changed the judgment to death penalty with a reprieve. At that time, the provincial CPC Committee did not support the correct judgment by Xining City, agreed with the province Higher People's Court in its view on the change of judgment to death penalty with a reprieve, and made a wrong decision. The apparently wrong judgment of such an uncomplicated case seriously impaired the image of the party and the dignity of the state law. Therefore, the provincial Higher People's Court was directly responsible for it and the provincial CPC Committee and the former principal responsible comrades of the provincial CPC Committee bore important responsibility for it. The wrong judgment of this case disclosed the existence of serious problems in the aspect of party style and showed that some cadres laid stress on human feelings and disregard principles, bureaucrats shielded one another, some cadres were bureaucratic and neglected their duties, and all this developed to a fairly serious extent. This wrong judgment of the case also fully explained that if party style was incorrect, the dignity of the law could not be upheld and the smooth enforcement of the law could not be guaranteed.

In conclusion, Comrade Yin Kesheng said that the provincial CPC Committee has resolved to use the thorough correction of the wrong judgment of the case of (Yang Xiaoming) as a starting point for correcting party style and to further do well in party rectification. It is necessary to extensively and penetratingly conduct education in party spirit, party style, ideals, discipline, and the legal system in the whole province.

Kang Shichang, president of the Qinghai Provincial Higher People's Court, also spoke at the rally.

RAILWAY PLANNED FROM XINJIANG TO SOVIET UNION

OW032010 Shanghai JIEFANG RIBAO in Chinese 28 Jul 85 p 1

[Text] According to XINXI HUIBAO, China has decided to build a railway west of Urumqi and plans to connect with the Soviet Central Asian Railway. After completion, China would have its third thoroughfare -- the northwest thoroughfare -- in addition to its northeast and northern thoroughfares for its merchandise to Europe. China also plans to make use of this railway to facilitate its trading with the Middle East.

CLAMOR FOR CHANGE SEEN EMERGING IN TAIWAN

HK050911 Beijing ZHONGGUO XINWEN SHE in Chinese 1246 GMT 4 Aug 85

[Commentary by Wang Jie: "Clamor for 'New Things and Changes' Emerges in Taiwan"]

[Text] Beijing, 4 Aug (ZHONGGUO XINWEN SHE) -- At present, there is a rising clamor for "new things and changes" on Taiwan Island. Originating from every sector of the society ranging from officials to common people and from academic circles to industrialists and businessmen, this clamor for "new things and changes" involves many fields, including politics, economy, diplomacy, as well as the relations with the mainland, and so on.

A newspaper in Taiwan published an editorial, saying "Recently, the island's economy has been in an emergency," and "its fundamental cause is that the future of Taiwan is full of unstable elements." "There are also various latent sources of instability" in the political scene in Taiwan. However, "faced with the increasingly constrained political and economic circumstances," "the measures adopted" by the Taiwan authorities "are, after all, really incompatible with the will of the people whose hearts are burning with anxiety. Particularly, those various rigid and inflexible policies on politics, diplomacy, and relations with the mainland are even more out of line with the times and not in keeping with the will and expectation of the people." The editorial also sharply criticized the Taiwan authorities' "conservative attitude that 'one more change is not as good as one change less' as deep-rooted." Recently, at the meeting of the "National Construction Commission," overseas scholars severely criticized Taiwan's diplomatic policies and its policies toward the mainland. Some people even suggested that the authorities should invite "scholars from communist countries" in the future to attend the international academic symposiums held in Taiwan. "Academic and political affairs are different"; their reason is very simple. "In academic, scientific, and technological development, mankind should not be restricted by national boundaries as well as politics." CHUNG HUA TSAI CHIH [CHINA JOURNAL] in Taiwan published an article demanding that the KMT authorities change their tune and adopt an open policy. The article said that if the KMT "has not yet found any innovative policies or made any breakthroughs and does not have the power and ability to effect a drastic change in the country, it will not be easy to just sit there waiting for the three people's principles to unify China." Therefore, "it would be better to begin with the mutual visits by the people on both sides of the Taiwan Strait and proceed from collecting public opinions to promote the peaceful unification of China." Zhao Yaodong, director of Taiwan's "Economic Construction Commission," said that the key to Taiwan's economic development lies in "blazing new trails." If Taiwan does not seek new things and changes, it will not survive. He holds that they should strive to orient the economy toward "liberalization and internationalization."

People who are clamoring for "new things and changes" on the island are in different moods and have different aims. However, their common ground is dissatisfaction with the present situation in Taiwan and opposition to various rigid and inflexible policies adhered to by the authorities. The Taiwan authorities call the policy of "not contacting and compromising and negotiating with Beijing" a "national policy" which "will never be changed." In fact, this policy has already been broken. The trend of the times is irresistible, and people are subject to circumstances. In order to survive, the Taiwan authorities have been forced into a conscious or unconscious "reform." Nevertheless, people think that this reform is too slow, just as when the mass media noted that it is "really incompatible with the will of the people whose hearts are burning with anxiety." At present, in the face of the rising clamor for "new things and changes," what course of action will the Taiwan authorities follow? It remains to be seen.

CHENG MING ON OPEN POLICY, PARTY STRUGGLE

HK050925 Hong Kong CHENG MING in Chinese No 94, 1 Aug 85 pp 9-13

["Notes on a Northern Journey" by Luo Ping: "The Shenzhen 'Earthquake' and Inner-Party Struggle"]

[Text] The Epicenter -- Zhongnanhai

Recently, an "earthquake" occurred in Shenzhen, but the epicenter was in Zhongnanhai. Were people shocked by Deng Xiaoping's recent remarks on the Shenzhen Special Economic Zone? On the surface, that was the case. Deng Xiaoping's previous appraisal of Shenzhen was favorable, but his attitude later became negative (or doubtful). Finally, he "negated the negation" and reaffirmed the achievements of Shenzhen. When Deng Xiaoping adopted a dubious attitude toward Shenzhen, the special economic zone became terribly bleak and the situation there was somber. But when his opinion became positive again, Shenzhen seemed to brighten up again and the "earthquake" seemed to be over.

This phenomenon seems abnormal, but it is quite normal in China. The changes in Deng Xiaoping's attitude toward Shenzhen showed that inside Zhongnanhai there was a struggle or an "argument" over the issues of Shenzhen, the special economic zones, and the policy of opening up.

The Unfavorable Opinions About Shenzhen

Early this year, just 1 year after Deng Xiaoping toured Shenzhen and remarked positively on Shenzhen's work and special policies, some unfavorable opinions about Shenzhen emerged and circulated from south to north in the country. Newspapers published articles pouring cold water on the special economic zone. For example, YANGCHENG WANBAO on 13 March 1985 carried an article entitled "The Slow Speed of Shenzhen," which said: "It seems that such things as high-rises, Western-style suits, the building of roads and vacation resorts cannot reflect the essence of the Shenzhen Special Economic Zone, so it is not necessary to always mention such things." "If it does not go all out to establish an outwardly oriented economic structure, the special economic zone's prosperity and wealth would just be something false. More worrying is that Shenzhen's speed in this regard remains slow. Aside from the Shekou and Shahe industrial districts, Shenzhen is now producing very few export-oriented goods. Although its speed is not as slow as the horse-drawn carriage, its development cannot be compared with the high-speed electrified train."

Two Different Opinions

Until recent days, articles criticizing Shenzhen's problems continued to appear in newspapers and journals. For example, some people recently wrote an article entitled "Some Problems in the Construction of Special Economic Zones," holding that the Shenzhen Special Economic Zone has not played a role as an outpost for developing foreign trade and as a window of technology, management, knowledge, and the open-door policy. This article also criticized Shenzhen for paying attention merely to the development of tertiary industry (mainly the tourist industry) and neglecting the development of the manufacturing industry. It said that Shenzhen failed to attract advanced industries to improve the competitiveness of its export goods in international markets, and that Shenzhen's orientation of associating itself with other domestic units and localities is not correct, because most domestic enterprises in Shenzhen do not engage in production but just indulge in reselling imported goods to make profits by taking advantage of the special policies and preferential measures in the special economic zone. (This article was carried by JINGJI XIAOYI BAO [ECONOMIC RESULTS] of Fuzhou on 27 June 1985).

On the other hand, newspapers also continued to publish articles praising Shenzhen's achievements in construction, but the number of such articles has obviously decreased as compared with last year. In fact, these articles represented two conflicting viewpoints.

Why Do They Dare To Contradict Deng Xiaoping?

The controversy should be regarded as a good thing. Special economic zones are something new. We have no previous experience in running such special economic zones, and no established dogmas can be followed. This will be a new picture completely drawn by workers in the special economic zones. Therefore, it is normal for problems and shortcomings to appear in the course of construction, and it is also normal for people to have critical opinions, right or wrong, about the Shenzhen Special Economic Zone. The two above-mentioned articles do have some ground in pointing out Shenzhen's shortcomings and defects. However, the special economic zone was initiated by Deng Xiaoping and the policies for the special economic zone were laid down by the CPC central authorities and approved by Deng Xiaoping. In addition, Deng has personally inspected Shenzhen and affirmed its achievements. It stands to reason that people will not openly make vitriolic remarks to criticize Shenzhen's work. If there was no contrary wind blowing from the top leadership, no one would be so bold as to sing a tune contrary to Deng Xiaoping.

The adverse wind against the special economic zone and its policies has in fact existed for a long time. Lin Li, a RENMIN RIBAO reporter who has given in-depth coverage to Shenzhen, accidentally discovered that almost no responsible cadres at the department level in Shenzhen brought their families to Shenzhen. Why? Maybe, they are afraid that another great or minor revolution will label them as out-and-out capitalist roaders and then their families will also suffer due to their "crimes". Is their fear unwarranted? No.

"Traitors," "Collaborators," and "Selling Out National Territory"

In the summer of 1981, just 20 months after the establishment of the special economic zone, some people had prepared the labels of "traitors" and "collaborators" for cadres in Shenzhen City. In late 1981, the CPC central leadership issued a document on cracking down on economic crimes. Some people in charge of this work immediately rushed to Shenzhen and asserted that 80 percent of the cadres there had been corrupted and 80 percent of these corrupt cadres' incomes were illegal.

Some Shenzhen cadres told Lin Li: "A certain research office issued an internal document which compared the special economic zone to the concessions in old China. Some people even added a note to the document, calling for greater vigilance. What did they want people to guard against? They described our real estate business as selling out the nation's territory. They even used the language that Jiang Qing used during the 'Cultural Revolution.'"

Hu Qiaomu's Frenzied Attacks

The document of the research office may not be open, but Hu Qiaomu has made a statement quite similar to the remarks in the document, and Hu's statement is totally open. When inspecting Xiamen earlier this year, Hu Qiaomu said:

"The special economic zones are not special political zones, and enterprises solely owned and run by foreign companies are not concessions. All joint ventures and enterprises solely owned by foreigners must observe China's law. The concessions in old China were originally the areas where foreign companies set up their offices and factories, but the government of the Qing Dynasty took a laissez-faire attitude, then these areas became independent from China's sovereignty."

Obviously, Hu Qiaomu was trying to equate today's special economic zones with the concessions in the past. This was a frenzied attack and a vicious slander against the special economic zones and the policies for them.

In the same speech, Hu Qiaomu also directly criticized some mistakes of the institutions in Shenzhen. He said:

"Last year, when examining the projects run by foreign companies or joint ventures in Shenzhen, our auditing department found that these enterprises did not keep their accounts in Shenzhen but in Hong Kong, so no accounts could be audited. Although some enterprises had their books in Shenzhen, they could not present all original vouchers and receipts. It was found that some enterprises had cooked their books and some enterprises simply prepared two sets of books for tax evasion. If we are not aware of such tricks, we will easily lose our rights."

These remarks fully reflected Hu's discontent with things in Shenzhen.

An Attack by Innuendo Against the Shenzhen Experimental University and Hu Yaobang

Professor Chen Shubo is preparing the establishment of the Chinese Experimental University in Shenzhen, which will be a school without a party committee. The program for building such a university without the "leadership of the party" was approved by Hu Yaobang. Hu Qiaomu once said that the party's leadership should also be exercised inside the enterprises owned and run by foreign companies. Some people think that this remark is aimed at Hu Yaobang. Hu Qiaomu said: "At present, all communist parties in Europe and America, except that in the United States, are legal and have a legal right to carry out activities in factories. How could it be reasonable that the Communist Party is not allowed to have its organizations in Chinese-foreign joint ventures and to carry out open activities in socialist China? We should not make too many concessions when we deal with foreigners. It is not reasonable to do so." Though Hu Qiaomu insisted that the Communist Party should have the right to set up its organizations in the enterprises which are owned partly or wholly by foreigners, some people think that his remarks were an attack by innuendo against the Shenzhen Experimental University.

A Round of Argument in the Central Secretariat

Hu Qiaomu's complaints reflect the attitude of the conservatives in the CPC toward the special economic zones.

It is rumored in Beijing that Hu Qiaomu also said similar things at a meeting of the Central Secretariat with Deng Liqun echoing him by talking at length about adhering to the socialist principle, which implied that the special economic zones had deviated from the socialist path. This gave rise to an argument at the meeting.

Yao Yilin said that the state should reduce investment in Shenzhen.

But Gu Mu, who is in charge of foreign economic affairs and the special economic zones, said that the policy of opening to the outside world and the policy for running special economic zones must "continue" rather than "being given up."

He said: By the end of 1984, the special economic zones had signed \$2 billion worth of investment contracts with foreign companies and had employed \$840 million of foreign funds. The economic situation in various special economic zones has changed markedly. Take Shenzhen as an example. The small rustic town of the past has now become a sizable modern city and is still developing. No fuss should be made if there are some errors in the work of the special economic zones.

If we have to give up the policy for running special economic zones, we will not be able to study and solve new problems and our attitude will not conform with dialectical materialism. Gu Mu's remarks had a definite object in view and were a suitable answer to Hu Qiaomu's challenge.

The Difference Between the Two Factions Are Principled

Deng Liqun's speech was a response to the idea advocated by someone at a higher level. Who is the "superior"? You must have had some idea about this if you read the article carried on the page 1 of RENMIN RIBAO on 1 July, which said:

"What we are engaged in is a socialist cause and the ultimate aim is to realize communism. This is an important point. Under the leadership of the party central authorities, we are conducting socialist economic construction and are carrying out socialist economic reform. All communists must bear in mind at all times that the four modernizations we are striving for are socialist in nature and are not anything else, and that our cause is a socialist cause."

This is in fact a passage in a written speech by Chen Yun at a meeting of the CPC Central Discipline Inspection Commission on 29 June. Chen Yun had repeatedly emphasized this viewpoint when receiving senior officials at home. As people may find, these remarks implied that the current economic reforms had deviated from the socialist path. Some people think that Chen Yun's remarks on socialism give support to Hu Qiaomu's argument about the "concessions."

All this shows that the differences between reformers and conservatives are not ordinary differences but principled differences.

"A Chen Yun Quotation" -- "Readjustment for 100 Years"

Although Chen Yun has an identical ideological line with Hu Qiaomu and Deng Liqun, it is believed that he cherishes a good intention when putting forward his opinion about the open-door measures and the reforms.

In Beijing's economic circles, a "Chen Yun quotation" is wide spread. It is that "readjustment should last for 100 years."

This remark is directed at the fact that China has excessively developed industry and conducted too many capital construction projects.

Some of my friends said that so far capitalism has existed for more than 200 years and has undergone unceasing readjustments, so Chen Yun is reasonable in saying that China should carry out readjustment for 100 years.

Over the past 30 years and more, China's economy has undergone many twists and turns and it is in fact a process of continuous readjustment of errors.

Hu Qiaomu and Deng Liqun Are Trying To Check the Tendency of Reform

However, people completely distrust Hu Qiaomu and Deng Liqun, thinking that they not only oppose the policy of opening up and reform, but also try to attack the reformers and the reform policies by finding fault in the course of reform.

To put it bluntly, Hu Qiaomu and Deng Liqun are opposing the policies of Deng Xiaoping and Hu Yaobang and opposing reform.

It seems that they have tried to take Shenzhen as a breakthrough point, thinking that if they can succeed in making a breakthrough in Shenzhen, then they can completely suppress tendency of reform and opening up.

An outstanding reformist in intellectual circles, Wen Yuankai, recently said publicly: "I feel that people's reform efforts are sometimes frustrated. We should guard against those who conduct malpractices by taking advantage of the opportunities of reform, and should also guard against some people who try to obstruct reform under the pretext of opposing unhealthy tendencies."

Obviously, Hu Qiaomu and Deng Liqun are people of the second type mentioned by Wen Yuankai. They are now counting on Chen Yun's powerful position and prestige.

Chen Yun's Prestige and Deng Xiaoping's Shifts in Politics

Chen Yun is now supported by many people, including many old cadres, who are discontented with reform and opening up. Chen Yun is trusted by many people, so he is enjoying higher prestige now.

Chen Yun's prestige, Hu Qiaomu and Deng Liqun's troublemaking, and various complaints against the Shenzhen Special Economic Zone lodged by many people, including some NPC deputies and CPPCC members all constitute psychological pressure on Deng Xiaoping. On the other hand, there are indeed some problems in the Shenzhen Special Economic Zone, which are not easy for the CPC to solve. That is why Deng Xiaoping uttered some doubtful remarks on the special economic zone.

At the same time, Chen Yun's photo has frequently appeared in newspapers and journals.

Issue No 6 of ZHONGGUO LAONIAN [CHINA'S OLD PEOPLE] carried a photo showing a Young Pioneer tying a red scarf for Chen Yun on its cover.

More eye-catching is a photo carried by Issue No 26 of LIAOWANG, showing Deng Xiaoping and Chen Yun sitting side by side on two armchairs, smiling at each other.

Also giving food for thought is the fact that Chen Yun's speech at the national meeting on rectifying the party's work style was published coincidentally on the same day Deng Xiaoping made the speech about Shenzhen which shocked Shenzhen and the whole country, and RENMIN RIBAO, the CPC Central Committee's organ, published Chen Yun's speech on page 1 on 1 July, the 64th anniversary of the founding of the CPC.

What does all this mean?

Does this show that the reformers are ready to compromise with the conservatives?

Is this designed to appease Chen Yun and his supporters?

Does this demonstrate a reappraisal of Chen Yun's economic thought?

Does this indicate that Deng Xiaoping's confidence in reform has vacillated?

Some informed people in Beijing however have said that all this is just Deng Xiaoping's shift in politics.

Reformers Take Control of All Opinion Machines

They hold that the arrangements giving prominence to Chen Yun in the mass media are indeed designed to appease Chen Yun and his supporters.

The publication of the photo showing Deng and Chen smiling at each other was a move to conceal the problems between the two by giving people an impression of their "unity."

All these propaganda moves may reduce the shock effect of the removal of Deng Liqun among the conservatives and their followers.

The removal of Deng Liqun from office in the central Propaganda Department can be regarded as a major victory for the reformers. Deng Liqun is a spearhead and a megaphone for the conservatives in their attacks against the reformers. In order to control all opinion machines, the reformers had to kick out Deng Liqun.

In mid-July, Deng Liqun finally left office under the pressure of the reformers.

People in Beijing's cultural circles were all glad to hear this news. For a long time they regarded Deng Liqun as a sword dangling over their heads and a shackle on their wrists. Although they know that Hu Yaobang has some shortcomings, they still like this general secretary who is outspoken and is a gesticulative talker. They think that Deng Liqun has often tried to frustrate Hu Yaobang.

A Sonorous Answer to the Conservatives

After the removal of Deng Liqun from office, the conservatives's offensive against the Shenzhen Special Economic Zone seemed weaker.

Another fact that gave people food for thought was that the removal of Deng Liqun from the post of director of the central Propaganda Department was announced by a spokesman of the Ministry of Foreign Affairs, and this was followed by the publication of Deng Xiaoping's remarks of reaffirming Shenzhen's achievements on 16 July. Deng Xiaoping said that China's policy of opening up and reform will certainly be successful and the policy for establishing special economic zones has proved correct.

Also noteworthy is the fact that RENMIN RIBAO on 20 July published a commentator's article entitled "Reform Is an Overriding Task." It is said a passage in this article was derived from Hu Yaobang's speech. The passage is as follows: "It is unavoidable that reform and opening up and enlivening the economy may bring about some negative factors and unhealthy things. However, the advantages outweigh the disadvantages, and the most important advantage is that our social productive forces will develop, our country will become prosperous and powerful, our people will become wealthy, and the superiority of our socialist system will be brought into full play. All sober-minded people should know that we must not give up eating for fear of choking. We Communists must not give up the principle of reform and opening up and enlivening the economy for fear of some negative things. We will not have a bright future if we backtrack to the old path. We must not be surprised or panic-stricken at the sight of negative things."

Obviously, this is another declaration of the reformers and is a sonorous answer to the conservatives.

It is also obvious that the reformers have become more vigorous after winning another victory.

How Can the Horse Run Fast Without Being Allowed To Graze?

The great earthquake in Shenzhen has passed like a nightmare. Of course, the problems of the Shenzhen special zone remain to be settled. The reformists still cannot confirm that the Shenzhen special zone is perfectly good. Rather, they believe that a special zone like Shenzhen has many weak points yet to be resolutely overcome.

The public (not necessarily the reformists) believe that the major weak point of the Shenzhen special zone is that it could not manage to "focus on industry, importing foreign capital, and exporting products," and has not assimilated the advanced technology from overseas. Nevertheless, to build an independent industrial district and an export economic district on a piece of almost desolated land within a few years is only an idealistic dream.

The Shenzhen special zone may, of course, change its economic structure from the internal type to the external one which focuses on industry and export products. But it must experience a lengthy course before achieving the change.

Some people hold that the state has invested too much in Shenzhen, and the state should now pull out the syringe that transfuses blood to it. But this can only be done step by step. Facts have showed that the "policy of only giving policy" (that is not giving money) toward the special zones, which was proposed by Deng Xiaoping at the start, is impractical. Similarly, it is wrong to promptly stop supplying oxygen to a very delicate pre-term baby lying in an oxygen tent. To "expect the horse to run fast without letting it graze" does not conform to the natural law. A common saying in Shenzhen goes, "It is very difficult to find a lake in which one can catch many fish without bailing water." Is Shenzhen the lake in which one can catch fish without bailing water?

The So-Called "Earning the Money of Inland China"

Some people regard the practice of "doing business with inland China" as the major weak point of the special zone's construction. There are also people who even believe that Shenzhen has carried out its construction mainly by depending on earning money from inland China. As one expert pointed out, such points of view and censures were not objective enough and unfair. This is because first, judging from Shenzhen's sources of capital for its capital construction during the years from 1979 to 1984, 24.3 percent of it came from foreign capital and 36 percent was loan grants from banks. Second, the brisk commerce in the Shenzhen special zone is a reflection of the function of the law of commodity economy. It should be said that one of the reasons for Shenzhen selling more in inland China is because of the objective demand. Thus, we can say that Shenzhen has played a positive role in promoting the economic development of inland China. On "earning money from one's own side," this is simply because of the function of the law of commodity economy. It is also a result of mutual benefit from following the activities of "cooperating with inland China". It is also Shenzhen capital with which Shenzhen "earns the money of foreigners". Can Shenzhen do business with foreigners without having any capital?

Over the years, the amount of funds raised by Shenzhen itself has increased year after year. From 1980 to 1983, the amount of funds raised by Shenzhen itself accounted for 20 percent of the total investment on average. In 1984, the percentage was increased to 31. This has shown that Shenzhen is depending less on the state.

The Capability of Self-Existence in the Shenzhen Special Economic Zone

The proportion of industry in Shenzhen has also increased. The number of factories has been on the increase, and they have more than 60,000 staff. In 1983, the industrial output value of Shenzhen only accounted for 15 percent of the GNP. But the percentage was increased to 25 in 1984. (JINGJI CANKAO, 22 May) According to the latest issue of QIANJINZHONG DE SHENZHEN TEQU [THE SHENZHEN SPECIAL ZONE ON THE MOVE], in the first half of this year, its gross industrial output value was increased by 92 percent compared with the same period last year. (Since there is a great discrepancy among the data provided by these sources and there is no way to convert this percentage, we can only be in doubt.)

Thus, we can see that the state's investment in the special zone has already yielded profits. If China gradually decreases the amount of the "blood transfusion," Shenzhen can stand on its own -- the special zone already possesses the capability of self-existence.

Let me repeat a sentence: In the course of construction, the Shenzhen special zone has many weak points and deficiencies yet to be overcome. At the same time, however, a progress that develops problems is better than avoiding making progress for the sake of not having problems, no matter whether we build the special zones or reform the economy as a whole.

SCIENCE ACADEMY TO OPEN LABORATORIES TO FOREIGNERS

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[Text] The Chinese Academy of Sciences has decided to open 17 laboratories and two research institutes to foreign scientists who wish to do research there, academy sources said in Beijing on 23 July.

They include the Beijing-based Theoretical Physics Institute and the Institute of Mathematics, the structural chemistry laboratory of the Fujian Institute of Research on the Structure of Matter, the vacuum physics laboratory in Beijing, the engineering geomechanics laboratory of the Institute of Mechanics in Beijing, the ion and infrared physics laboratories in Shanghai and the laser spectrum laboratory of the Anhui Institute of Optics and Fine Mechanics.

This is part of efforts undertaken by the academy to help the country's current reform of the scientific and technological research management system, aiming at doing away with the former practise of closed door research and promoting exchange and cooperation between the academy's scientists and those in other departments, as well as abroad.

The academy has worked out the regulations on management of the laboratories and invited noted scientists to act as directors of the laboratories and academic committees. Both Chinese and foreign scientists can apply for research projects to the academic committees. With the committees' approval, they can do research work at the laboratories and receive financial support.

As China's comprehensive research centre for natural sciences and technology, the Chinese Academy of Sciences has more than 100 related research institutes across the country, mainly for basic research.

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